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P U B L I C H E A R I N G

before

ASSEMBLY COMMITTEE ON COMMERCE, INDUSTRY AND PROFESSIONS

and

ASSEMBLY COMMITTEE ON AGRICULTURE AND ENVIRONMENT

on

ASSEMBLY BILLS NO. 607, 1191,
1361, 1452 and 1528

(Recycling Programs and Beverage Container Recycling)

Held:
November 7, 1974
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEES PRESENT:

Commerce, Industry and Professions
Assemblyman Byron M. Baer (Chairman)
Assemblyperson Mary Keating Croce
Assemblyman C. Gus Rys

Agriculture and Environment
Assemblyman H. Donald Stewart (Chairman)
Assemblyman Walter J. Kozloski

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ASSEMBLY, No. 607

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1974 SESSION

By Assemblyman KEAN

AN ACT concerning the recycling of beverage containers; establishing a levy on beverage containers; and providing a State aid program for recycling and disposing of solid waste.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. For purposes of this act, unless the context clearly requires a different meaning:

a. "Beverage" means beer or other malt beverages and mineral waters, soda water and similar soft drinks in liquid form and intended for human consumption, whether or not carbonated, but does not include uncarbonated water, soups, fluid milk products, unadulterated, natural, reconstituted or frozen fruit, vegetable or meat juices, or liquids intended for medicinal purposes only. The term "beverage" also includes spirituous liquors and vinous beverages.

b. "Biodegradable material" means material which is capable of being broken down by bacteria into basic elements.

c. "Container" means the individual, separate, bottle, can, jar or carton composed of glass, metal, paper, plastic or any combination of those materials containing a consumer product. This definition shall not include containers made of biodegradable material.

d. "Distributor" means every person who engages in the sale of consumer products in containers to a dealer in this State including any manufacturer who engages in such sales.

e. "Manufacturer" means every person bottling, canning, packing or otherwise filling containers for sale to distributors or dealers.

f. "Recycling" means the process of sorting, cleansing, treating and reconstituting waste and other discarded materials for the purpose of reusing the materials in the same or altered form.

2. A levy is hereby exacted on all beverage containers sold in the State intended for resale, use or consumption in this State at the rate of $0.005 on each beverage container sold, which levy shall take effect on July 1, 1974.

The levy provided in this section shall be paid by every manufacturer or distributor to the State Treasurer. Whenever a retailer, group of retailers of retail chain contracts for, receives consignment of, or in any other manner acquires beverages in beverage containers outside of the State for sale, use or consumption in the State, the levy exacted pursuant to this section shall be paid to the State Treasurer by such retailer, retail group or chain. The State Treasurer, in accordance with the "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.) shall adopt and publish all forms and regulations necessary for the purposes of this section.

3. a. In lieu of payment of the litter levy provided in this act, any manufacturer or distributor of beverage containers may require a deposit of not less than ten cents to be paid by the consumer on each beverage container sold at the retail level and refunded to him upon return of the empty beverage container. Whenever a retailer, group of retailers or retail chain contracts for, receives consignment of, or in any other manner acquires beverages in beverage containers outside of the State for sale, use or consumption in the State, the deposit requirements of this section shall be applicable, in lieu of payment of the litter levy, to such retailer, retail group or chain in the same manner as to manufacturers or distributors of beverage containers.

b. If a manufacturer or distributor elects to require a deposit pursuant to this section, that manufacturer or distributor shall:

(1) Clearly label each beverage container manufacturered, sold, distributed or intended for distribution in the State with a statement indicating the amount of the deposit, and the name of this State, and

(2) Provide either that all retailers selling such beverage containers and collecting and refunding deposits on such beverage containers be reimbursed for those efforts by the manufacturer or distributor in an amount directly proportional to the quantity of beverage containers redeemed as determined by the Commissioner of Environmental Protection; or that the manufacturer or distributor establish, operate and maintain a sufficient number of facilities for the collection and redemption of beverage containers sold or distributed by him in the State, at least one for each 100,000 persons, at locations determined by the Commissioner of Environ-

mental Protection with the approval of the governing body of the municipality in which the facility is to be located.

c. The Commissioner of Environmental Protection, in accordance with the "Administrative Procedures Act," P. L. 1968, c. 410 (C. 52:14B-1 et seq.), shall be authorized to promulgate rules and regulations necessary to implement this section.

4. a. An amount equal to 50% of the net receipts of revenues derived by the State from the levy imposed by this act shall be annually appropriated as State aid to municipalities for solid waste disposal. Each municipality in the State which has costs attributable to the disposal of solid waste shall qualify for such State aid on a per capita basis up to the full cost of its solid waste disposal program subject to the availability of funds. However, each qualifying municipality must indicate that it is actively pursuing a program designed to discover and achieve the most economical and effective method of collecting and disposing of its solid waste, including analysis of means to recycle beverage containers, metals, glass, papers and other items.

b. An amount equal to 50% of the net receipts of revenues derived by the State from the levy imposed by this act shall be annually appropriated as State aid to counties for the planning, acquisition and construction of central transfer stations, solid waste recycling centers and disposal sites.

c. The State aid programs authorized by this section shall be administered by the Department of Environmental Protection. The department shall prepare the forms and adopt any standards or regulations required to administer these programs.

5. If any person violates any of the provisions of this act or any rule or regulation promulgated pursuant to the provisions of this act, the Department of Environmental Protection, the Department of the Treasury or any local board of health may institute a civil action in a court of competent jurisdiction for injunctive relief to prohibit and prevent such violation or violations and the said court may proceed in the action in a summary manner.

Any person who violates the provisions of this act or any rule or regulation promulgated pursuant to this act shall be liable to a penalty of not more than $3,000.00 for each offense, to be collected in a summary proceeding under the Penalty Enforcement Law (N. J. S. 2A:58-1 et seq.), and in any case before a court of competent jurisdiction wherein injunctive relief has been requested. The Superior Court, County Court and county district court shall have jurisdiction to enforce said Penalty Enforcement Law. If the violation is of a continuing nature, each day during which it con-

tinues shall constitute an additional, separate and distinct offense.

6. The powers, duties and functions vested in State Government under the provisions of this act shall not be construed to limit in any manner the powers, duties and functions vested therein or in any person under any other provisions of law or any civil or criminal remedies now or hereafter available to any person.

7. This act shall be liberally construed to effectuate the purpose and intent thereof.

8. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

9. This act shall take effect immediately.

STATEMENT

This bill provides for the taxation of beverage containers at the rate of $0.005 per container. It applies to all beer and soda cans and bottles and other beverage containers with the exception that any returnable containers with a deposit of at least $0.10 are not subject to the tax. The act provides manufacturers and distributors the choice of paying a tax to use nonreturnable containers or of recycling beverage containers through the mechanism of the market place. The act further provides that all funds collected pursuant to the act be used by local governments for local efforts to recycle waste materials and to dispose of solid waste.

ASSEMBLY, No. 1191

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 11, 1974

By Assemblyman KLEIN

Referred to Committee on Commerce, Industry and Professions

AN ACT promoting the recycling of beverage containers; establishing a mandatory deposit on certain beverage containers; prohibiting the sale of certain beverages in throwaway containers; and supplementing Title 13 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. For purposes of this act, unless the context clearly requires a different meaning:

a. "Beverage" means beer or other malt beverages and mineral waters, soda waters and similar soft drinks in liquid form and intended for human consumption, whether or not carbonated, but does ont include uncarbonated water, soups, fluid milk products, unadulterated, natural, reconstituted or frozen fruit, vegetable or meat juices, or liquids intended for medicinal purposes only. The term "beverage" also includes spirituous liquors and vinous beverages.

b. "Biodegradable material" means material which is capable of being broken down by bacteria into basic elements.

c. "Container" means the individual, separate, bottle, can, jar or carton composed of glass, metal, paper, plastic or any combination of those materials containing a consumer product. This definition shall not include containers made of biodegradable material.

d. "Distributor" means every person who engages in the sale of consumer products in containers to a dealer in this State including any manufacturer who engages in such sales.

e. "Manufacturer" means every person bottling, canning, packing or otherwise filling containers for sale to distributors or dealers.

f. "Recycling" means the process of sorting, cleansing, treating and reconstituting waste and other discarded materials for the purpose of reusing the materials in the same or altered form.

2. a. Any manufacturer or distributor of beverage containers shall require a deposit of not less than $0.10 to be paid by the consumer on each beverage container sold at the retail level and refunded to him upon return of the empty beverage container. Whenever a retailer, group of retailers or retail chain contracts for, receives consignment of, or in any other manner acquires beverages in beverage containers outside of the State for sale, use or consumption in the State, the deposit requirements of this section shall be applicable to such retailer, retail group or chain in the same manner as to manufacturers or distributors of beverage containers.

b. A manufacturer or distributor shall:

(1) Clearly label each beverage container manufactured, sold, distributed or intended for distribution in the State with a statement indicating the amount of the deposit, and the name of this State, and

(2) Provide either that all retailers selling such beverage containers and collecting and refunding deposits on such beverage containers be reimbursed for those efforts by the manufacturer or distributor in an amount directly proportional to the quantity of beverage containers redeemed as determined by the Commissioner of Environmental Protection; or that the manufacturer or distributor establish, operate and maintain a sufficient number of facilities for the collection and redemption of beverage containers sold or distributed by him in the State, at least one for each 100,000 persons, at locations determined by the Commissioner of Environmental Protection with the approval of the governing body of the municipality in which the facility is to be located.

c. A manufacturer or distributor shall be prohibited from selling beverages in throwaway containers.

d. The Commissioner of Environmental Protection, in accordance with the "Administrative Procedures Act," P. L. 1968, c. 410 (C. 52:14B–1 et seq.), shall be authorized to promulgate rules and regulations necessary to implement this section.

3. If any person violates any of the provisions of this act or any rule or regulation promulgated pursuant to the provisions of this act, the Department of Environmental Protection, the Department of the Treasury or any local board of health may institute a civil action in a court of competent jurisdiction for injunctive relief to prohibit and prevent such violation or violations and the said court may proceed in the action in a summary manner.

Any person who violates the provisions of this act or any rule or regulation promulgated pursuant to this act shall be liable to a

penalty of not more than $3,000.00 for each offense, to be collected in a summary proceeding under the Penalty Enforcement Law (N. J. S. 2A:58–1 et seq.), and in any case before a court of competent jurisdiction wherein injunctive relief has been requested. The Superior Court, County Court and county district court shall have jurisdiction to enforce said Penalty Enforcement Law. If the violation is of a continuing nature, each day during which it continues shall constitute an additional, separate and distinct offense.

4. The powers, duties and functions vested in State Government under the provisions of this act shall not be construed to limit in any manner the powers, duties and functions vested therein or in any person under any other provisions of law or any civil or criminal remedies now or hereafter available to any person.

5. This act shall be liberally construed to effectuate the purpose and intent thereof.

6. If any provision of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act and the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

7. This act shall take effect immediately.

ASSEMBLY, No. 1361

STATE OF NEW JERSEY

INTRODUCED MARCH 25, 1974

By Assemblymen GLADSTONE, MARTIN, Assemblywomen TOTARO, WILSON, Assemblymen CONTILLO, VISOTCKY, HYNES and SALKIND

Referred to Committee on Commerce, Industry and Professions

AN ACT prohibiting the sale of certain beverages in nonreturnable containers; authorizing the Commissioner of Environmental Protection to certify certain reusable beverage containers under certain circumstances, and supplementing Title 13 of the Revised Statutes.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. This act shall be known and may be cited as the "Nonreturnable Beverage Container Prohibition Act."

2. a. The Legislature finds that:

(1) Litter composed of beverage containers is a major source of pollution in all areas of this State;

(2) The collection and disposal of solid waste composed of such containers impose a great cost burden upon the State;

(3) Nonreturnable beverage containers on which no refundable money deposit is required from the consumer pose a threat to health, safety, and welfare of individuals and environment in the State; and

(4) Such containers, representing as they do a high cost in the form of litter and solid waste management, should be banned from circulation within the State.

b. It is therefore the purpose of this act to assist in solving this problem by preventing the use and circulation of the offending types of nonreturnable beverage containers by banning their shipment and sale in the State.

3. For the purpose of this act the term:

a. "Commissioner" means the Commissioner of the Department of Environmental Protection;

b. "Returnable beverage container" means a beverage container which:

(1) Has a clear indication thereon, either by embossing or by a stamp, label, or other method securely affixed thereto, of the refund value of the container, or is a glass container designed for a beverage and having a brand name permanently marked thereon which on the date of enactment of this act had a refund value of not less than $0.05;

(2) Has a refund value of not less than $0.05 or, if certified by the commissioner pursuant to section 4, has a refund value of not less than $0.02; and

(3) Is not a metal container so designed and constructed that a part of the container is detachable in opening the container without the aid of a can opener;

c. "Beverage" means beer or any other malt beverage, mineral water, or soda water or a carbonated soft drink of any variety in liquid form and intended for human consumption;

d. "Container" means a bottle, jar, can, or carton of glass, plastic, or metal, or any combination thereof, for use in packaging or marketing any beverage.

4. a. (1) To promote the use of returnable beverage containers of uniform design, and to facilitate the return of containers to manufacturers for reuse as a beverage container, the commissioner shall, upon application in accordance with regulations established by the commissioner not later than 90 days after the date of enactment of this act, certify beverage containers which satisfy the requirements of this section.

(2) A beverage container shall be certified if:

(a) It is reusable as a beverage container by more than one beverage manufacturer or bottler in the ordinary course of business; and

(b) More than one beverage manufacturer or bottler will in the ordinary course of business accept the beverage container for reuse as a beverage container and pay the refund value of the container.

(3) A beverage container shall not be certified under this section if by reason of its shape or design, or by reason of words or symbols permanently inscribed thereon, whether by engraving, embossing, painting, or other permanent method, it is reusable as a beverage container in the ordinary course of business only by a manufacturer or bottler of a beverage sold under a specific name.

b. (1) Unless an application for certification under this section

is denied by the commissioner within 60 days after the filing of the application in accordance with regulations of the commissioner, the beverage container shall be deemed certified.

(2) The commissioner may review at any time certification of a beverage container. If after such review, with written notice and hearing afforded to the applicant for certification under this section, the commissioner determines the container is no longer qualified for certification, he shall withdraw certification.

(3) Withdrawal of certification shall be effective not less than 30 days after written notice to such applicant and to all known manufacturers and bottlers using such container.

5. a. No person shall manufacture for sale, sell, offer for sale, or introduce or deliver for introduction in the State any beverage container other than a returnable beverage container.

b. Whoever violates subsection a. of this section shall be fined not more than $500.00, or imprisoned for not more than 6 months, or both.

6. The commissioner shall establish such regulations as are necessary for the purpose of this act.

7. The provisions of this act shall be effective on the date of enactment of this act, except that section 5 shall be effective after 180 days following such date of enactment.

STATEMENT

The purpose of this bill is to prohibit the sale of nonreturnable beverage containers and to ban all "flip-top" cans. This act would be administered by the Commissioner of Environmental Protection, and all certifications for reusable beverage containers under this act will be issued by his office.

ASSEMBLY, No. 1452

STATE OF NEW JERSEY

INTRODUCED APRIL 1, 1974

By Assemblywoman WILSON, Assemblymen HAMILTON, BURSTEIN, BAER, DEVERIN, GREGORIO and KEAN

Referred to Committee on Agriculture and Environment

AN ACT providing State aid for recycling of waste and making an appropriation therefor.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. The Legislature finds that solid waste problems are reaching crisis proportions in every area of the State, while our capabilities for dealing with these problems fail to measure up to the task. The Legislature finds that 90% of our waste is dumped unprocessed at landfills, including a large volume of waste which could be recovered for reuse through the utilization of existing technology.

Therefore, the Legislature declares that there is an urgent need to initiate a program of resource recovery to involve (1) the State's residents and business community at the source of waste generation, (2) the State's local governments, solid waste industry and voluntary groups during the collection and storage phase of solid waste management, and (3) the reprocessing industry, in lieu of the solid waste disposal industry, at the delivery phase of the solid waste cycle.

2. The Department of Environmental Protection shall, upon such terms and conditions, consistent with this act, as it deems appropriate, make grants to municipalities for the added cost to the municipality of operating a municipally mandated recycling system. Said grants shall be no greater than $0.50 per capita for the first year of the program and half that amount for the second year of the program, if the municipality has provided for the mandatory recycling of four or more categories of solid waste, including newspaper. Said grants shall be no more than $0.30 per capita for the first year, and half that amount for the second year, if the munici-

pality has provided for the mandatory recycling of less than four categories of solid waste, including newspaper.

3. Grants to municipalities may be utilized for, but not limited to, programs for the collection of recyclable material at the source, the marketing of recyclable waste, the purchase of any necessary equipment, the operation and maintenance of a solid waste recycling system, public information and recycling specific categories of solid waste, such as newspaper, other paper products, glass, aluminum, tin, steel, vegetative waste and other products.

4. To qualify for the grants authorized herein, a municipality shall adopt an ordinance requiring the separation of recyclable materials at the place of solid waste collection. Such an ordinance shall require the separation of recyclable solid waste into as many categories as the municipality may choose, provided that newspaper shall be one category. The ordinance may require the recyclable solid waste to be packaged or prepared in a specified manner. The ordinance shall provide for penalties for its violation.

5. a. The municipality shall provide for the collection of the various categories of recyclable solid waste and for the delivery of same to the reprocessing industry or to a person, business or government agency which will deliver the recyclable solid waste to the reprocessing industry.

b. In order to qualify for the grants authorized herein, the municipality shall deliver to the Department of Environmental Protection a copy of the ordinance and a copy of every contract, agreement or permit providing for the collection or delivery of recyclable solid waste.

6. The Department of Environmental Protection shall require periodic reports from all grantees to determine continuing compliance with the conditions required by the grant.

7. There is hereby appropriated to the Department of Environmental Protection for the purposes of this act, the sum of $3,600,000.00 or so much of said sum as may be necessary.

8. This act shall take effect immediately.

STATEMENT

This bill provides State aid to municipalities which (1) enact ordinances requiring the separation of recyclable solid waste at the place of collection and (2) provide for the collection and delivery to the reprocessing industry of recyclable solid waste. Passage

of this bill will decrease the volume of solid waste to be disposed, will conserve natural resources and will conserve energy.

Several alternatives are provided to each municipality for the collection and transportation to the reprocessing industry of recyclable solid waste—municipal collection, municipally contracted collection, privately contracted collection, and collection by private nonprofit organizations.

Many voluntary recycling programs now exist in New Jersey. Yet much recyclable solid waste is not recovered. Passage of this act should provide the stimulus for the large volume recycling of newspaper, glass and metals, which some of us remember from an earlier era. It should contribute to the success of county recycling centers by increasing the volume of recyclables available to those centers. Furthermore, it should alter the economics of reprocessing and assure a future market for usable items which are now discarded.

ASSEMBLY, No. 1528

STATE OF NEW JERSEY

INTRODUCED APRIL 4, 1974

By Assemblyman KLEIN

Referred to Committee on Agriculture and Environment

AN ACT concerning the public collection, storage and disposal of solid waste, requiring separation at source of such wastes accord- to type and authorizing issuance of State regulations to govern storage and disposal of the several types of solid waste.

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey:*

1. The Legislature finds that the many problems incident to the collection and disposal of solid wastes dictate maximum efforts to facilitate recycling, reprocessing and recovery of reusable wastes and to minimize disposal by landfill or other methods of such reusable wastes.

2. The governing body of every municipality or other governmental agency responsible for the operation of a solid waste collection system or for the contracting for its collection shall require that solid wastes be separated according to the following types at their source as a condition for their collection: food wastes, paper and similar combustibles, glass, metals and other noncumbustibles.

3. The Commissioner of Environmental Protection is authorized by regulation to prescribe standards and methods for the storage and disposal of the several types of solid wastes.

4. This act shall take effect January 1 next succeeding enactment.

STATEMENT

A number of municipalities in the State have already adopted programs for garbage separation. The benefits of such programs are many. Paper may be sold for recycling. Metals and glass may be sold to scrap dealers and reused. Food stuffs and the like may be processed and are capable of being converted into fuel. Such a program not only conserves natural resources, but also yields financial returns to the municipality from the sale of the separated waste projects.

ASSEMBLYMAN BYRON M. BAER: (Chairman): The joint hearing of the Assembly Commerce, Industry and Professions Committee and the Assembly Agriculture, Energy and Environment Committee will come to order. This hearing is co-chaired by myself and Assemblyman Stewart. I would like to also identify Assemblyman Gus Rys, on my extreme left, and Assemblyman Walter Kozloski, and I will identify the other Assemblymen as they arrive.

The hearing is on Assembly Bills A 607, A 1191, A 1361, A 1452, and A 1528. These Bills represent the Bills that are in both committees dealing with the problems, or dealing with the subject of recycling or returning bottles and containers.

It is my hope that this hearing will not only just go beyond the hearing that was held in 1971, and I certainly hope that we do not just repeat what was covered there, and that this hearing will not be strictly limited to the specific approaches just in these Bills. It's my hope that we can find as a result of the input at this hearing a way of solving the problem of resource recovery, the need to have resource recovery with beverage containers in an effective way, on the one hand, without adopting a means that will jeopardize employment in the State.

If we have resource recovery and no economic recovery, we will be failing. There is no point in saving bottles and losing jobs, very directly stated.

So far as the procedure, we have, as you can see around you, a very, very full agenda of many speakers. As a result, we will not be able to hear everybody, unless you make a real effort to be brief. I would like to address, first of all, those that have prepared statements. Those that have prepared statements, distribute those statements to the Committee just before you testify. If you do not have copies, if you only have an original, please see the staff director of the Agriculture Committee or the C. I. P. Committee and they will arrange to have copies made in advance of your testimony. If you are not presently on the schedule, and

there is one posted in the rear, and also the staff directors have the schedules of the agenda today, if you are not on that, and you don't know whether you are on that, you can again check with the staff members to get on it. Where you do submit written statements, it is not necessary to read the written statement. There are many members of the Committee who are not here, who are going to be making their judgements based on the transcript, and the statements will be reviewed by them. So where you have a written statement, if you can highlight and go into, perhaps, development in other areas, that may very well be useful.

The Committe Directors are Mr. Catania and Mr. Capalbo. They are in these first two seats, the seat that is labeled Hurley and the seat that is labeled Chinnici. So if you need to speak to them, you will know where they are.

There have been a couple witnesses, or at least potential witnesses, that have indicated that they have not had time to have their testimony prepared for today. We regret that unexpected circumstances caused as short a period of time in between the announcement and the hearing. As a result the record will be kept open for at least two weeks for anybody who is not present today and wants to provide testimony, or for anybody who is present today and wants to provide additional testimony, either because he did not have full time or because you want to respond to ideas or testimony that's presented here today. We want to provide the fullest opportunity for input and exchange and not go about this in any dogmatic way, not go about this in any way where we are trying to rush anything through. We want to have the best opportunity to find a constructive way of dealing with this problem and achieving these goals that I described. Assemblyman Stewart, do you have a statement?

ASSEMBLYMAN STEWART: No.

ASSEMBLYMAN BAER: Anyone else? (No response.)
Do we have any sponsors, Assemblyman Kean?

J O A N G W I A Z D O W S K I: Mr. Chairman, I am here to read the statement of Assemblyman Tom Kean.

Mr. Chairman, I appreciate the opportunity to appear before the committee today in support of legislative efforts to encourage expanded programs of re-cycling of solid waste.

While I am a sponsor of A-607, which provides a tax incentive for the manufacture of recyclable containers, I am a co-sponsor and equally supportive of A-1452, sponsored by Assemblywoman Wilson, to establish a program of state assistance to municipalities which undertake recycling efforts.

With respect to the legislation under consideration, it would be a mistake, in my judgment, to view these efforts as inflicting undue or harsh punishment on a particular segment of New Jersey's industrial community. All of us who serve here are well aware of the need for a continued healthy industrial community, particularly when we are confronted with perhaps the most severe economic difficulties we have experienced in many, many years.

And, while the economy and all the issues directly related to it are of concern --- and properly so --- to us, there are other areas which deserve our attention as well.

And, the ever-increasing problem of solid waste disposal is one of these.

As A-1452 points out in its introduction, the disposal of solid waste has reached crisis proportions and, in some instances, has gone beyond a crisis, while our efforts to cope with it in an all-out, finely coordinated fashion have been nearly non-existent.

Currently, approximately 90 per cent of the solid waste accumulated and collected in New Jersey is being disposed of in sanitary landfill sites, even though evidence shows that a rather substantial amount of this waste can be recycled through technological means known and available to us.

Our failure to take advantage of this technology and the failure of the Legislature to utilize whatever feasible means at its command to encourage recycling will, I am convinced, lead to New Jersey being literally buried in its own garbage.

Opening more and more landfill sites --- even if they could be found --- would be nothing more than a stop-gap measure because they, too, would be utilized up to and beyond capacity in a relatively short time.

The problem we face is of such immensity that we cannot afford to postpone solving it for a few years at a time. We only succeed in delaying the inevitable.

The only real avenue of relief open to us, in my judgment, lies in an expanded program of recycling. The reuse of bottles, cans and other materials which can be recycled into either the same form or an altered form must be undertaken on a broad scale if we are to solve the problems of solid waste disposal.

I should like to address myself for a moment to my bill, A-607.

This proposal offers the manufacturers and distributors of beverage cans and bottles the option of paying a tax of five mills --- a half-cent --- per non-returnable container or of recycling the containers through the mechanism of the market place.

The only exception to this provision would be those containers on which the customer pays a deposit of 10 cents or more, the rationale being that the consumer would be more likely to return the container to regain his deposit.

The legislation provides further that all funds collected via the half-cent per container tax on non-returnable containers be used by local governing bodies to finance the establishment of recyclive programs.

A-1452 provides authority to the Department of Environmental Protection to offer financial grants to aid municipalities to

meet the cost of recycling programs.

Funds granted under this legislation can be used for, among other things, the collection of recyclable waste, purchase of equipment, and operation of the recycling system itself.

I feel certain that many municipalities in New Jersey desire to undertake a recycling program, but are prevented from doing so because of a lack of adequate funds at the local level. As I am sure the chairman and members of the committee are aware, funds raised through local taxes are rather limited and there is simply not enough room in local budgets to launch new programs without some state help.

The Legislature has before it one of these opportunities which come all to rarely --- the chance to anticipate a crisis and act promptly to avert it.

All too often, we are put in a position of reacting to a situation which borders on becoming uncontrollable. When this occurs, programs are hastily thrown together, oft-times failing to solve the problem, and once again bringing the ability of government to act decisively into doubt.

I urge the committee in the strongest possible terms to seize this opportunity we have and give its prompt approval to the pending legislation. Thank you.

ASSEMBLYMAN BAER: Any questions from the Committee?

ASSEMBLYMAN KOZLOSKI: Yes. I have one, basically; that is, since this particular small portion of taxation you are talking about on these items will go back to the local municipalities, does Senator Kean have any figures whatsoever what this could amount to? Is it really beneficial?

MS. GWIAZDOWSKI: I assume that he feels it is beneficial. The money would actually go to the State Treasurer, and then be distributed to the municipalities through the State Treasurer.

ASSEMBLYMAN KOZLOSKI: You don't have any figures, any estimates, as to how much might go to the municipalities?

MS. GWIAZDOWSKI: No, I don't.

ASSEMBLYMAN BAER: Any other questions?

ASSEMBLYMAN STEWART: To your knowledge, does any other State have this program now?

MS. GWIAZDOWSKI: I'm not really sure.

ASSEMBLYMAN BAER: Any other questions? (No response.) Could you ask Assemblyman Kean to provide us with that information, so far as the potential amount of money that would raise?

MS. GWIAZDOWSKI: Surely. No problem at all.

ASSEMBLYMAN BAER: Let me ask you this. Since this money would go to municipalities, and they vary in size from twelve people to three hundred and eighty thousand people in this State, what provision would be made for modifying going just by political boundaries where convenience would dictate otherwise, or efficiency otherwise?

MS. GWIAZDOWSKI: I can get that information from Mr. Kean also. I wouldn't want to make a statement for him at this time, unless he approved it.

ASSEMBLYMAN BAER: I see. All right. Thank you very much.

MS. GWIAZDOWSKI: You're welcome.

ASSEMBLYMAN BAER: Is Assemblywomen Wilson here or a representative? (Not present.)

Assemblyman Gladstone?

(Assemblyman Herbert M. Gladstone distributes to members of the Committee a printout which can be found on page 132 A .)

H E R B E R T M. G L A D S T O N E: Right. There is a small marked portion there to indicate some figures in support of what I have to say.

ASSEMBLYMAN BAER: Do you have a prepared statement?

ASSEMBLYMAN GLADSTONE: No, I don't.

ASSEMBLYMAN BAER: Proceed, please.

ASSEMBLYMAN GLADSTONE: Thank you, gentlemen, for this opportunity to address you. Let me read the statement on my Bill.A 1361. "The purpose of this bill is to prohibit the sale of nonreturnable beverage containers and to ban all 'flip-top" cans. This act would be administered by the Commissioner of Environmental Protection, and all certifications for reusable beverage containers under this act will be issued by his office." Let me say by way of preface to this, that as Legislators we sometimes have to become instant experts in various fields in order to introduce legislation.

I think my qualifications in this particular field happen to be quite unique.and worth expanding on. I was until 1960 a third generation of a family in what is familiarly known as the bottle business. My father helped the Pepsi-Cola Company to get started, using used export beer bottles. And that's how they started with their small company in Long Island. So I have a background of personal knowledge in the business, and my recollection is that the returnable or the nonreturnable bottles really took off in about 1960. There still is a large segment of the bottling industry that is using returnable bottles. Several soda manufacturers and several beer manufacturers are continuing to use returnable bottles. And they have found that there is adequate demand for and ability to handle these things.

I'd like to read to you briefly some of the things that were cited in this Oregon State University study. " One, the bottle bill, the Oregon Bottle Bill, has created

a net total of 365 new jobs, with an annual payroll of $1.6 million. Critics said that it would do away with jobs. Beverage prices have not increased significantly when compared to those in states without such a law." Incidentally, if prices were to increase, it would be because manufacturers were taking advantage of it. Returnable bottles filled with beer and soda should cost less. "Total beer and soft-drink sales have increased. Critics feared that sales would fall off. There has been a whopping 92% reduction in the number of cans and bottles found along roadsides. Six million tons of glass, 1.6 million tons of steel, and 575,000 tons of aluminum went into beverage containers last year."

Now, it is my contention that the only industry that would be affected by this in any way at all would be the aluminum industry. And there's a shortage of aluminum so it would just be a question of those manufacturers redirecting their efforts into areas where the aluminum is needed.

I'll be happy to answer any questions, gentlemen.

ASSEMBLYMAN BAER: Do you have any information as to what percentage of the bottles and containers, beverage containers, used in Oregon are actually produced in that State? Is that a different situation from New Jersey?

ASSEMBLYMAN GLADSTONE: It would be somewhat different from New Jersey. They don't have the number of manufacturers in that State that we have in New Jersey. I think there would be some small difference, but I have no idea what that difference is.

ASSEMBLYMAN BAER: So it's possible that a large part of the employment of those who are working on manufacturing these bottles and containers are actually employed out of the state?

ASSEMBLYMAN GLADSTONE: Very possible, yes.

ASSEMBLYMAN BAER: In your legislation, do you feel that there may be ways to modify your legislation, so that it might not affect employment of those who are employed

in the manufacturing industries, the beverage container manufacturing industries?

ASSEMBLYMAN GLADSTONE: I don't see that there is any way that it could be modified. But I don't think there would be any need to modify it. I think redirecting the efforts of the glass manufacturers, since the returnable bottles will not cause any decrease in the manufacture of glass--- and as I said, as far as the aluminum cans are concerned, there is a shortage of aluminum that could be directed into other areas. So it should not affect the jobs in any way at all.

ASSEMBLYMAN BAER: So far as the aluminum, that is somewhat of a different picture, since the aluminum containers are not reused. The raw material is reused. I know of no state that has a returnable product with returnable metal containers.

ASSEMBLYMAN GLADSTONE: That's true. They would have to do away with aluminum containers, yes.

ASSEMBLYMAN BAER: I have no further questions. Do you have any questions, Senator Stewart?

ASSEMBLYMAN STEWART: Is your bill patterned after the Oregon Statute?

ASSEMBLYMAN GLADSTONE: Yes, it is.

ASSEMBLYMAN STEWART: Exactly?

ASSEMBLYMAN GLADSTONE: I would say very close to it.

ASSEMBLYMAN STEWART: Would it be possible to get us a copy of the Oregon Statute?

ASSEMBLYMAN GLADSTONE: I imagine we can.

ASSEMBLYMAN STEWART: I assume we can obtain a copy through our staff.

ASSEMBLYMAN GLADSTONE: I'm sure you can.

ASSEMBLYMAN STEWART: You mentioned or the article mentioned the study by the Oregon State University. Have you seen that study?

ASSEMBLYMAN GLADSTONE: No, I haven't. I have seen

excerpts of it from time to time. I took this because it was the tightest version of the rendition from the University.

ASSEMBLYMAN STEWART: The reason I bring that question up, I have just recently, in the past ten days, seen an article that was just the opposite of this particular report that you have here. And it said that the study in Oregon showed just the opposite of what this particular magazine article says it showed here. It would probably be helpful if we obtained a copy of that report, I assume?

ASSEMBLYMAN GLADSTONE: I think some of the other speakers will be able to provide you with that particular information. They have already indicated that to me.

ASSEMBLYMAN BAER: Could you obtain and provide us with a copy of the report upon which your testimony is based?

ASSEMBLYMAN GLADSTONE: Yes, surely.

ASSEMBLYMAN KOZLOSKI: I just want to say one thing to Assemblyman Gladstone. I have before me here the official publication of the retail liquor industry, which states something similar to that which Assemblyman Stewart had to say about his information. This particular publication states just the opposite of you also, where it mentions that organized labor force suffered a net loss of over two hundred jobs worth about two point four million dollars in wages. It also says that organized can and glass container makers, beer and soft-drink industries lost between seven point two million and nine point two million dollars in pre-tax earnings, and so forth.

So I also am very interested in seeing what other source of information you have, because of the contradictory nature of our material so far.

ASSEMBLYMAN GLADSTONE: I understand.

ASSEMBLYMAN RYS: Do you by any chance have any figures on the cost of the pick-up of this material?

ASSEMBLYMAN GLADSTONE: No.

ASSEMBLYMAN RYS: Could you possibly give us those figuresoon another date?

ASSEMBLYMAN GLADSTONE: I certainly would try to.

ASSEMBLYMAN RYS: Thank you very much.

ASSEMBLYMAN BAER: Thank you very much for your testimony. Assemblyman Klein is not here, and I should say in fairness to Assemblyman Klein that we just received a message from him about a half hour ago indicating his request - I should have mentioned this at the opening - his request that his bill not be considered at this hearing. His bill and one other bill was originally scheduled for the June 19th hearing, which was withdrawn so that we could have the combined hearing that we have today.

I do not feel that it would be fair to any of the persons who have nonetheless prepared testimony for us today, to cut you off, if you wanted to comment on Assemblyman Klein's bill. I am sure none of the Committee would rush ahead with action on Assemblyman Klein's bill, formal action, if he did not wish us to do so. I think that there is some utility in our viewing the total perspective of all of the legislation and approaches that have been presented before the Assembly plus any others that we might hear today. I did want to clarify that in case anybody would as a result prefer not to comment on that bill; and that bill is Assembly Bill 1191.

The next witness on the list is the Commissioner of Environmental Protection. They will be submitting testimony in written form subsequently, I understand.

Unless there has been any change in that, and somebody at the last minute is present, we will be able to review that from the record, when it comes in.

Dr. Harry Besley from the Advisory Council on Solid Waste Management? (Not present.)

Mr. Lewis Applegate, New Jersey State Chamber of Commerce.

L E W I S R. A P P L E G A T E: Mr. Chairman, and the other two members of the legislature, I want to first say that I think Assemblyman Klein has two bills under consideration, and I don't think it was made clear whether you wanted a discussion on one or both.

ASSEMBLYMAN BAER: The request was made that we not consider just 1191.

MR. APPLEGATE: In accordance with your instructions my statement will be brief. But we do have some real experts from industry here that will go into more detail than I will.

My name is Lewis R. Applegate. I am Director of Governmental Relations for the New Jersey State Chamber of Commerce. Our organization represents business and industry ranging from New Jersey's largest companies to its smallest commercial enterprises. Our basic purpose is to maintain a healthy, economic climate for our member companies and for the people of New Jersey.

In accordance with this basic aim we naturally concern ourselves with laws or proposed laws affecting the conduct of business in our State and in the Nation. In the area of environmental legislation we strive to achieve a balance between our environmental and economic needs. We are convinced that a healthy environment cannot be accomplished without a healthy economy. As a matter of fact, industry cannot hope to fulfill environmental demands unless their operations remain profitable.

We support the overall recycling of solid waste proposals set forth generally in A 1528 and in more detail in A 1452. This approach to controlling solid waste is broader, more economical and much more constructive than discouraging the use of non-returnable containers called for in A 607, A 1191, and A 1361.

We oppose these three bills and will continue to oppose similar legislation. While we will cite some generalized objections to these bills, a good number of representatives from the industries which are directly affected will present specific problems caused by A 607, A 1191 and A 1361.

A 1191 and A 1361 ban non-returnable containers. This leaves no room for flexibility and will have a serious impact on our economy. We have lost manufacturing plants employing over 80,000 people in the past 5 years. Reduction in the use of the non-returnable containers will certainly increase unemployment in these industries. Our economy and our tax revenues are already suffering, and these bills would worsen those problems.

New Jersey is the leading producer of glass and glass-related products in the nation. We are also a major metal can and container producing state. These bills will have a greater impact on New Jersey than in most other states.

Our unemployment rate is over 8 percent and is steadily rising. We are pleased to again join forces with organized labor, particularly the New Jersey State AFL-CIO, as we did in the July "March for Jobs," in opposition to these three bills and support for a recycling program. While we disagree

with organized labor on some issues, when it comes to economic progress and especially maintaining full employment, we are in full accord.

In addition to the increased costs to business and therefore to the consumer, the State would have to increase its budget to implement and administer these bills. This is in the face of a defidit for next year that could be as high as $500 million. We believe it is important to determine the cost-benefit ratio of A-607, A-1191, and A-1361.

There are indications that the organizations supporting bills banning non-returnable containers, consider this a first step in solid waste control. We think the full program should be put forth for consideration and not just the initial steps.

We stand ready to work with your committees and with proponents of these bills for a workable recycling of solid waste legislation. A sophisticated recycling systems approach can be achieved through a cooperative effort between government and private industry. Such an approach would be much broader than punitive and restrictive container-banning laws and would be least disruptive to industry and labor. However, we strongly oppose A 607, A 1191, and A 1361. Thank you.

ASSEMBLYMAN BAER: Thank you, Mr. Applegate. I'm impressed with your comment about standing ready to work with the committee, and I will be asking some of the witnesses or all of the witnesses virtually, today, whether they would be willing to work, if necessary, as part of a group that might be getting together to work out some of the details that would affect the program. You have answered that question in advance.

MR. APPLEGATE: We would be very glad to coordinate the industry phase of that, if you want us to.

ASSEMBLYMAN STEWART: Lou, do you have any information on this Oregon Law that was mentioned? To your knowledge, does any other state have such regulations?

MR. APPLEGATE: Yes, Vermont does. There are some real experts. I don't pretend to be an expert in all the fields I happen to represent. They will have definitive information for you on that. You can address almost any question to them and get an accurate answer.

ASSEMBLYMAN BAER: I did want to ask one other question. Beyond commenting generally on the bills that you have identified, do you have any suggestions for modification of any of the bills that you have identified, particularly those that you favor? Is there anything further that needs to be done with any of those bills, in your opinion?

MR. APPLEGATE: I'm quite sure that on A-1452, Mrs. Wilson's bill, I think there are some problems with that, such as defining where you are going to segregate the materials that are going to be recycled. In other words, it could create an impossible condition if you force the manufacturer, for instance, to separate everything. One manufacturer couldn't possibly do that. I think there has to be some definition as to where the solid wastes are separated.

I think there are people that will follow me that are much more knowledgeable and will have information on this. There is undoubtedly a problem in her bill, and I hesitate to mention this, with the cost factor cited in her bill. I don't know how realistic that 3.6 million is, but certainly you and I both know that will constitute a problem. If we are really sincere and want to lick this problem, I think with a cooperative effort between industry and

Government and, yes, even environmentalists we could lick it, as we say in our statement, without forcing businesses out of work and men and women out of work.

ASSEMBLYMAN BAER: Any further questions?

ASSEMBLYMAN KOZLOSKI: No questions.

ASSEMBLYMAN BAER: Thank you very much for your testimony.

MR. APPLEGATE: Thank you.

ASSEMBLYMAN BAER: Mr. Richard Lynch, the Executive Vice President of the State AFL-CIO?

R I C H A R D L Y N C H: I am Richard Lynch, the Executive Vice President of the State AFL-CIO. We want to thank the Committee for the opportunity to appear here and express our viewpoint.

Our organization has 750,000 members from 1500 local unions. The representatives from these locals at our annual convention in June voted unanimously their opposition to Assembly Bills 607, 1191, and 1361. We are unalterably opposed to these measures because they would result in the loss of thousands of jobs in the can, glass bottle, paint, lithography and related industries.

With 8.4% of the work force of New Jersey or 280,000 workers jobless, the passage of these bills would have a devastating effect on the economy of our State.

We know you gentlemen are aware of this, because on three different occasions you extended the unemployment benefits by thirteen weeks. We are grateful to you for that. But while we have recession nationwide, with 5.8% or 6% as the unemployment rate, the jobless rate which is already 8.4% will be much higher if these bills were to be passed.

5,671 members of the United Steelworkers Union are engaged in the manufacture of beer and soda cans

at 13 plants in our State at American Can, Continental Can, National Can, Reynolds, Kaiser and Crown Cork and Seal. I have a list of these 13 plants with their employees here. In addition, nationwide thousands of members engaged in the manufacture of aluminum will be made jobless. (See page 133A.)

Now this sheet will show you that in Passaic we already have lost 13 different plants by being closed down and 5160 jobs lost; and Sweeta has just announced there are 350 more closing down. If we were to shut down - this bill would definitely shut down the Paterson Continental Plant with 1150 employees. It would shut down the Passaic plant with 530 employees. It would shut down the Wayne plant of 110 employees. And there would be 1790 workers that would lose their jobs in Paterson, Passaic and Clifton on top of the 5500 already unemployed. These 5500 already unemployed have cost the businessmen and the business community in Passaic and Paterson and that area $78 million dollars in buying power.

We have 10,591 members of the Glass Bottle Blowers Association in our State who are employed at plants of Owen-Illinois, Wheaton, Thatcher, Metro, Midland, Anchor-Hocking, Brockway, Kerr and other firms. Vice President MacLuskie of the G.B.B.A. has informed us that three of these factories were built and put into operation while hundreds of additional employees were hired at four other plants because of the public demand for non-returnable bottles.

Hundreds of our members belong to the paintmakers and chemical unions, and they are employed at Sherwin-Williams, Benjamin Moore, Sapolin, Dutch Boy, Maas-Walstein, and many others. These are all New Jersey firms which make the paint used in labeling and

the coating of beer and soda cans.

On top of this we also have the Amalgamated Lithographers Union. You may remember that we had Roy Woodward testify in Passaic, and he stated that they have 1,000 members in the Lithographers Union. They stamp the labels on Budweiser, Coca-Cola, Rheingold and other cans. So you can see, we have 1,000 members just for the coating and painting. There are also tavern owners who very much object to this bill, which I won't go into at this time.

Consumers, knowing that returnable bottles have been used at times to store gasoline, kerosene, chemicals, turpentine and so forth, and not being positively assured that they have been cleaned thoroughly, will not use them.

We have Larry McGinley from the Teamsters Union here. He can cover the brewery in more depth. New Jersey has thousands of wage earners employed at Budweiser, Pabst and Rheingold breweries, and two smaller breweries, Champale in Hammonton down in South Jersey; and also Coca-Cola, 7 Up, Canada Dry and Pepsi are all making products in returnable bottles.

The banning of one way cans and bottles will force breweries to undergo a massive change, converting from cans and one way bottles to returnable bottles.

Now, we all know that the Rheingold Brewery was in serious difficulty. For months they closed down the Brooklyn and Orange plant, and "Chock Full of Nuts" took them over. They are now back in production, and for the first time they are showing a moderate profit. If these bills were to pass, and Rheingold had to convert to returnable bottles from cans and throw-away bottles, there would be a great cost involved in converting the production lines. And I feel this would cause Rheingold once again

to go out of business.

These bills do three different things. There's a levy of a half a cent on each can or bottle or one way beverage container or a ten-cent deposit; and some bills provide for an absolute prohibition of all non-returnable bottles. The sales will definitely fall off, because if you're going to send your youngster down to the store for a six-pack of Coca-Cola, or 7 Up, or Pepsi, or anything else, you will have to give him an extra sixty cents for the returnable bottle, and that money is not quite available right now.

We are convinced that the sponsors of these bills are sincere, dedicated, well-meaning people. But I believe they are unrealistic, and if they would become aware of the great economic damage they would do to our State, they would pressure more for recycling instead of the things embodied in these three bills.

I would just like to restate that we are definitely opposed to Assembly Bills 607, 1191, and 1361. And we think the principle involved in 1452 is the correct approach, that's the recycling position. We definitely oppose these measures. There also are some experts from our various unions who can talk better on this subject than I can. We are willing to cooperate with the business community and with the legislature in any way possible to get a solution to this problem. The passage of these three bills is definitely not the solution and would do immeasurable damage to the economy of our State.

ASSEMBLYMAN BAER: Thank you, Mr. Lynch. I would like to ask one question. When you were commenting about the falling off of sales, in the context you seem to be making that comment, lumping the ten-cent deposit and

the ½¢ tax proposal together. I want to make sure that that's what you meant. Do you feel that the ½¢ tax would also affect sales?

MR. LYNCH: We are opposed to both. I am convinced it will. I mean having to pay a 10¢ deposit ---- .

ASSEMBLYMAN BAER: I'm not talking about a deposit. I'm asking about the ½¢ levy . Do you also feel that will affect sales?

MR. LYNCH: Not affect sales so much. But I think it's kind of unfair to impose it on the workers that we represent. I had skipped over this in the interest of time. The makeup of solid waste is: 50% paper, 11% garbage; wood, plastic and now leaves -- don't mention leaves, I worked all weekend on them.(laughter) -- dirt, grass, sand, they are 24% of the solid waste, while cans and bottles only make up about 13% of all waste. So why should you penalize one industry, soda, beer, wine, and the can and bottle industry to pay for the entire cost of the solid waste when the other industries are contributing much more to the problem? You are not assessing anything against them.

Just to be brief on this, we think it is darn unfair to the management and the unions in these industries to try to make them pay the entire cost of the solid waste problem.

ASSEMBLYMAN BAER: Are you saying that you're not opposed in principle to the idea of a levy, if the levy were applied on a basis that seems fair?

MR. LYNCH: No. This would still cost jobs, I believe. I think it should come out of the general tax like every other service, out of the State Treasury.

ASSEMBLYMAN BAER: Do you feel it is likely to be feasible based on the present economic circumstances of the State Treasury?

MR. LYNCH: It was feasible in the Assembly. It wasn't so feasible in the Senate. I don't know what the solution is here.

ASSEMBLYMAN BAER: And down the hall? Is it feasible there?

MR. LYNCH: Right.

ASSEMBLYMAN BAER: So you do not support the idea of a levy, even if it were expanded in other areas; for instance, if it were extended into the area of newspapers which we all know is a major source?

MR. LYNCH: With those gentlemen sitting up there, I don't think so. It would take a legislator with a lot of courage to put a tax on newspapers.

ASSEMBLYMAN BAER: I think we should be willing to look at anything.

ASSEMBLYMAN RYS: Just one question. Is that the latest figure, 8.4% who are unemployed?

MR. LYNCH: Actually, if you consider all those who are no longer statistics, such as those who have given up all hope of getting a job, it would be somewhere in excess of 300,000 in our opinion, yes.

ASSEMBLYMAN BAER: Any other questions? Thank you for your testimony, Mr. Lynch. It is very helpful.

Mr. Lawrence McGinley? International Brotherhood of Teamsters? Is Mr. McGinley present?

L A W R E N C E W. M c G I N L E Y: I represent Joint Council 73 of the International Brotherhood of Teamsters. At the present time we have employed in all of our industries in Northern New Jersey 110,000 members. About 12% to 15% of them are full time employees in the beer and soft drink industries. We are here to oppose Bills 607, 1191, and 1361.for many of the same reasons that the AFL-CIO has presented here through Dick Lynch today.

First of all, I would like to say I am not an expert in the environmental field. But we do have some

expertise in the field of employment in the beer and soft drink industries. Right now, if these bills were to pass, there is a fear of the loss of jobs in the State where the employment rate at the present time is very high.

In our industry, the beer and the soft drink industry, we have the production workers, the distribution workers, the people in the garages, and we are fearful of the passing of this legislation, because this would cause a loss of jobs in this industry.

I'll just take a few minutes to point out a few other items that we fear in the industry here. We have lost many jobs in the service trades; by that I mean the trades that make deliveries to the taverns, chain stores, and any kind of deliveries in the State. And one of the reasons is, with the advent of new and better highways, we are now in a radius here where companies can make almost daily deliveries to an area of 100 to 150 miles outside the State. Any legislation that will impose any more restrictions on these industries in this State certainly will result in a loss of jobs.

I would like to point out one other issue to you; that is, with respect to the deposits on cans. I have had some years in the milk industry, and one of the things that puzzles us today with respect to deposit and non-deposit especially in this economic climate is that people will walk into a store and will pick up the non-deposit container, which in many instances costs more than the deposit container. And we are fearful if this same philosophy is applied to the beer and soft drink industry there would be a corresponding loss of jobs there.

Finally, I would like to say this : that we would like to check on the situation in Oregon and present to you our figures. It would be very interesting to us because we wouldn't want to be opposing anything that would increase employment, and, therefore, I would like to have time to check with our local unions out in the State of Oregon and receive the picture from them as to the unemployment. Because again, I repeat, it certainly wouldn't be good for our members or good for the employees or good for the people of our State of New Jersey if we were to be before you and opposing a bill that would increase employment in any industry.

So I would request time to check on that, and I'd like to present you with those figures. And I would like to thank you, Mr. Chairman, and the members of the Committee for hearing us here today.

ASSEMBLYMAN STEWART: Mr. McGinley, if you had to speculate on the Oregon situation and you had to imagine how possibly this particular type of legislation could have increased employment by 365 jobs, I think you said, and 1.6 million dollars in annual payroll in your industry, can you think of how this kind of legislation could help your industry?

MR. McGINLEY: Well, the only way I think it could possibly help the industry is, and this is strictly speculation, that there would be people who would be employed, but it would be a handling problem. That handling problem in turn might result in an increase in the product, which would again cause a decrease in employment. So you would be in a vicious cycle there. This is the only way that I could possibly think that employment would be increased.

ASSEMBLYMAN STEWART: My interpretation of what you are saying is that it is possible there are 365 new jobs. But what somebody is not looking at is how many jobs were lost on the other end?

MR. McGINLEY: That is very possibly so. That is what I'd like to check.

ASSEMBLYMAN BAER: Thank you very much. Assemblyman Rys, do you have any questions?

ASSEMBLYMAN RYS: No questions.

ASSEMBLYMAN BAER: Assemblyman Kozloski?

ASSEMBLYMAN KOZLOSKI: No questions.

ASSEMBLYMAN BAER: Would you be willing to work with us if a small group were gotten together to try to develop the proposal?

MR. McGINLEY: Yes; I can speak for our organization. We would be more than willing to try.

ASSEMBLYMAN BAER: I want to thank you very much for your testimony. We will include your additional information that you're seeking into the record when it arrives.

MR. McGINLEY: Right. Thank you.

ASSEMBLYMAN BAER: I might mention this. I forgot to ask you, Mr. Lynch, the same question about working with us. But I assume the answer is the same; is that correct, Mr. Lynch?

MR. LYNCH: Yes, sir, right.

ASSEMBLYMAN BAER: Thank you. The next speaker is Mrs. Richard Smith of the League of Women Voters. She may not be here. We will come back to her.

Now, I have a request from a couple people who would like to be heard earlier because of schedule problems, The New Jersey Brewers Association -- no, I have that mixed up -- Seed and Mr. Richard Whalen.

R I C H A R D W H A L E N: Mr. Chairman, members of the Committee, my name is Richard Whalen, Vice President of the International Chemical Workers Union. As the representative of the members of my Union that work in the paint and allied industries, I am opposed to Assembly Bills 607, 1191 and 1361.

At the present time, my members are suffering from the highest unemployment status in the history of our union. Since last Tuesday's elections it would seem to me that the State is looking for leadership to end inflation, end unemployment, stabilize prices, and to get this country on the move and out of this depression.

Passing bills that will cause more unemployment and bring higher prices is not the solution. I would like the Committee to give consideration to the principles in Assembly Bill 1452? I thank you for your kind attention.

ASSEMBLYMAN BAER: Thank you for your testimony, Mr. Whalen, and for your brevity. I appreciate that. Are there any questions by the members of the Committee? (No response.)

Now, the witness for SEED is Mr. Ken Pyle. Is Mr. Pyle here?

K E N N E T H E. P Y L E: Good morning. My name is Kenneth E. Pyle. I am a resident of Woodstown, New Jersey, and I speak today as the Vice President of SEED, the Society for Environmental, Economic Development. SEED appreciates the opportunity to make known its position at this hearing.

SEED is a broad coalition of business, industry, and labor organizations, including the State Chamber of Commerce and the State AFL-CIO, and we are concerned with the promotion of responsible, economic and environmental development for the ultimate welfare of the

people of New Jersey. Together the organizations represented by SEED account for a large bulk of the needed employment, output, and tax revenue of New Jersey. Rather than take extreme positions on issues, wherein one element of our lives may be emphasized to the virtual exclusion of consideration of other issues, SEED favors a balancing of priorities within the broad context of life in New Jersey. SEED's major purpose is to foster the mature consideration of both environmental and economic concerns as they affect our total lives.

SEED recognizes solid waste disposal as a formidable problem in New Jersey today, a problem that calls for creative, broad-ranging, and forward-looking solutions.

It is important to fully realize the complexities of solid waste disposal. It is not merely an environmental problem; nor is it merely an economic problem. It is a problem in which both these major aspects of our lives figure, along with other elements, such as our present and potential technology as well as our psychological and cultural patterns of behavior.

This is the point of view we hold as we approach the assessment of five legislative proposals dealing with solid waste disposal in New Jersey. We are referring to A-607, A-1191, A-1361, and A1528.

We approach our task pragmatically. We are much more interested in what will work than in what should work. Therefore, the proposal we favor is one which appears to be a most natural next step, one which is the least disruptive of our collective behavior patterns, one which has the potential of taking the fullest advantage of our modern technology, and one which permits the greatest exercise of human initiative in the solution of the problem.

SEED supports the concept embodied in Assembly

Bill 1452 as most fitting the criteria we set forth. Basically, this bill would stimulate the growth and development of a viable solid waste recycling system in the State through a well-established mechanism of State aid to municipalities. The legislation wisely steers away from mandatory or prohibitory provisions. It is not proposed that municipalities, industries, businesses or consumers be locked into a prescribed pattern of behavior upon an edict of the Legislature. Instead we are encouraged to move more systematically in the positive direction of recycling waste and are offered a number of alternatives to do so.

We think that A-1452 provides the framework within which solid waste disposal can be effective. SEED stands ready to encourage business, industry and labor representatives to sit down with legislators and further develop this bill.

We think that attempting to solve solid waste disposal problems merely by attacking convenience packaging of goods is ineffective at best and could actually do damage to our economy, resulting in severe unemployment in the packaging industry in New Jersey.

This is why we think that Bills A-607, A-1191, and A-1361, though laudable in terms of their ultimate intentions, fly in the face of the hard realities of our present life. All three of these bills seek a return to the era of the deposit-return beverage bottles as a solution to the solid waste disposal problem.

Our modern packaging industry evolved for good reasons: sanitation, convenience and lower costs. Let us not now try to return to a more primitive level of packaging and thus lose these advantages provided to us by our technology. Let us instead move forward to develop a dynamic solid waste recycling industry, which

will encompass not only beverage containers but many other forms of solid waste also.

We note that A-1528 also takes the larger conceptual view of the solid waste disposal problem in that recycling is seen as the most viable solution. However, the bill neglects to offer incentive to municipalities for the development of recycling systems and merely mandates garbage separation programs. It is for these reasons that we support A-1452 as the more effective approach. Thank you, gentlemen.

ASSEMBLYMAN BAER: Thank you. Any questions, gentlemen? I would like to ask you one question. This particular question has been troubling me throughout this hearing. With the focus in the direction that you've been talking about and the others have been talking about, which direction in the present legislation is combined with some substantial economic support from the State, which might not be forthcoming because of the financial pressures on the State, can you conceive of any other approach for financing this sort of effort that you would like to go towards? Would you know any other way of making it economically feasible to do this?

MR. PYLE: I'm afraid I can't come up with any substantial or intelligent answer to that question. At this point I'm not prepared to do that. We would be happy, after some reflection on the matter, if we had the opportunity, to discuss it with the members of the Committee.

ASSEMBLYMAN BAER: Do you think there might be a possibility of working out something with the industries involved where they would participate in paying their respective fair shares toward this, without getting into the question as to how you define that share and how the specifics would work out? Obviously some industries create more of a burden than others, and I know in many other areas industries have had a very deep

concern for accepting responsibilities that relate to them. Do you think that there might be a way of working this out with industry?

MR. PYLE: I think that certainly this is a direction worthwhile pursuing. As you have said, industry has clearly indicated their willingness to participate in costs in cleaning up the State to date, in various systems of pollution control and abatement measures in their manufacturing processes. And I certainly think it is a worthwhile avenue to explore.

ASSEMBLYMAN BAER: Thank you very much for your helpful testimony. Mr. Jay Adelman?

J A Y A D E L M A N: Good morning. Mr. Chairman, I am Jay Adelman, Executive Director of the New Jersey Food Council. I appreciate the opportunity to appear before you today as a respresentative of the supermarket and food store industry in this state. My remarks will be brief in keeping with your request.

The food retailers of New Jersey are cognizant of the serious environmental problems facing us today, and recognize our obligation to provide some of the impetus to help solve them. Further, we believe that this issue is far too important to discuss in what all too often amounts to simple cliches or self-serving platitudes. We wish to deal in positives, not negatives.

I'd like to say at the outset that we do view the various bottle recycling bills as a piecemeal, stop-gap approach which does little to clean up debris. That's admittedly a negative. Further, we feel that it is essential for New Jersey to move in the direction of resource recovery, a very big positive. Thus, in principle, we support A-1452 as a very positive step in the right direction.

Restrictive container bills, as laudable as the sponsors' objectives may be, lack one basic ingredient that prevents them from becoming truly effective; that is, that they affect under 2% of the State's solid waste. Even on that small scale, more than 98% of solid waste would be left untouched.

From the standpoint of the food stores, of course, these bills also would create virtually insurmountable sanitation and storage problems, and in the long run, must mean higher labor and other costs to retailers and, therefore, higher prices to the consumer.

We recognize, of course, that Oregon and Vermont are into restrictive container programs. It is not for me to say how well they are working. There has been considerable controversy generated by proponents as well as opponents. As you have heard earlier today, there have also been conflicting reports as to their effectiveness.

I would like to note, however, that in a talk that was recently delivered in Chicago, that the American Iron and Steel Institute provided figures which indicated that on the basis of the first year of activity under the Oregon Bottle Bill, ending in September of 1973, that Oregon's can and glass container makers, beer and soft drink industries lost between 7.2 and 9.2 million dollars in pre-taxed earnings. Consumers lost $300,000 in uncliamed deposits on beer containers alone. Oregon's labor force suffered a net loss of more than 200 jobs worth approximately 2.4 million dollars in wages. And soft drink and beer packagers, distributors and wholesalers, had to make capital investments of 6.4 to 8.5 million dollars for new equipment and containers made necessary by the bill.

We do know, obviously, that there are many problems under restrictive container legislation. And further, we can see little sense in New Jersey, the most densely populated State in the nation, being guided by the

activities of two whose population, industry, and, yes, environment bear little if any resemblance to our own.

Nonetheless, it is worth pointing out that beer and soft drink sales are off in communities along the New York-New Hampshire border, because Vermont residents simply don't wish to bother with returnables, or to pay the higher prices.

ASSEMBLYMAN BAER: Excuse me just a moment, Mr. Adelman. I find that not only is your prepared statement far longer than those others that have been read so far today, but you are adding considerably to it.

MR. ADELMAN: I'm about to start cutting down.

ASSEMBLYMAN BAER: I would like to ask if you could summarize, or it will end up by other people being deprived of the opportunity to testify.

MR. ADELMAN: I'd be happy to. We do want to point out the health problems that should be considered here, especially in view of the fact that it was just a few years ago that the Retail Food Establishment Code was adopted by the State of New Jersey and has been placed in force. This is the Code that leaders like Dr. Oscar Susman claim extricated us from the sanitation dark ages. We don't think you want to turn the clock back now.

As I said, we do not wish to dwell on negatives. We'd prefer to talk about positives. And what we like about A-1452 is that it encourages municipal recycling systems and provides funds, if those funds can be found, to serve as a stimulus for large, voluntary recycling.

Now, a good example of what can be done was provided by the town of Hempstead in Nassau County, New York, when it took the bold step of approving the construction of a solid waste recovery plant to process unsorted, raw residential refuse and recover for resale valuable glass and metal which would be recycled

into new products. And there is a great deal of material available on that subject.

The whole area of resource recovery has been defined by one source as turning garbage into money. And we certainly would encourage an approach in that direction. It was just a couple of weeks ago that Dr. Richard Lesher, President of the National Center for Resource Recovery, appeared before the National Association of Food Chains and said, "Regardless of what the doomsayers tell us, we don't need to outlaw steel cans, aluminum cans, non-returnable glass bottles. We don't need to design any product to be good garbage. We need to develop garbage systems which will handle anything which gets thrown away."

If you look through this material you will find that there are several examples of what can be done in the area of resource recovery. We state that resource recovery, the whole principle, has arrived. In 1971 very little was happening in this area, and few thought that anything would happen in our lifetime. Yet Dr. Lesher and many other experts freely forecast that by 1978, just four years from now, most of the major cities will be operating resource recovery systems. We believe that New Jersey's cities should be included among those, and it would be our sincere pleasure to work with government in the direction of encouraging resource recovery systems. Thank you. (See page 136A.)

ASSEMBLYMAN BAER: Thank you, Mr. Adelman. I would like to ask you the same question I asked the previous witnesses. Do you have any ideas as to whether it might be feasible to finance this sort of thing from something other than tax funds?

MR. ADELMAN: I think that probably what we are talking about is a cooperative venture between government and industry. I strongly suspect, and I'm saying this

really off the top of my head, that there are foundations and various organizations connected with industry that might well be very interested in participating in some sort of model project.

ASSEMBLYMAN BAER: Beyond the model project or experimental thing which sometimes foundations support, do you have any ideas as to how such a thing could be funded other than with tax money on a permanent and continuing and statewide basis, where obviously we wouldn't be getting any foundation support?

MR. ADELMAN: I think we would have to look into some more specifics as to exactly the direction in which we wish to go. But I would be happy to consult with organizations comparable to ours who represent the food industry to find out what might very well be available

ASSEMBLYMAN BAER: Are you, by the way, in touch with not only your counterparts throughout the nation, but any international counterpart organization? Are you able to get information as to what might have been developed in some other countries?

MR. ADELMAN: Yes, we would be happy to do that.

ASSEMBLYMAN BAER: Very good. I certainly welcome that, and I welcome your offer to work with us as the others have.

I want to introduce Assemblywoman Croce. Do you have any questions?

ASSEMBLYWOMAN CROCE: No.

ASSEMBLYMAN BAER: Anyone have any further questions?

ASSEMBLYMAN KOZLOSKI: Yes. On page seven, Mr. Adelman, you mentioned that you would consider A-1452 with some amendments. Could you possibly in the near future deliver

any recommendations you might have along this vein to the Committee so that we would have some idea of what you are talking about because you have just said possibly some amendments. Since you do mention that fact, I am sure, Chairman Baer and his committee and Chairman Stewart and his committee would all like to know what your views are and what kind of amendments you are thinking about. We would appreciate it very much.

MR. ADELMAN: The tax portion of it obviously is a problem. I think that may well be more of a problem for government than it is for us. In addition to that, I think it is a matter of the whole approach, the separation at source, which was referred to by an earlier speaker.

ASSEMBLYMAN BAER: Very good. Thank you again, Mr. Adelman, for your testimony and we will be looking forward to that material within the next couple of weeks.

The next witness will be Mr. Harry Moore, Glass Bottle Blowers Association.

H A R R Y L. M O O R E: My name is Harry L. Moore. I am Director of Legislation for the Glass Bottle Blowers Association, AFL-CIO. Our union represents 14,371 workers in New Jersey, of which 10, 707 are employed in the container industry.

Gentlemen, today when I came in --- I might say I have been all over the State and all over the country really testifying at these various hearings. And, believe me, in my experience, we usually run into quite a few problems at those hearings. Based on those experiences, I came pretty well prepared to say my piece, feeling that the opposition or the proponents of this type of legislation would be here. When you read my paper, you will see this is the way I have laid it out.

Two other unions, the United Glass and Ceramic Workers of North America and the American Flint Glass Workers Union, represent thousands of other glass workers in New Jersey. In other words, we are only one of the three unions representing these workers.

During the past 2½ years, our union has lost 602 jobs in New Jersey through adverse publicity pertaining to the non-returnable containers, automation, etc. This has been a loss of over $7 million in income to our members in New Jersey. And now there is another move through the proposed legislation - that would be A 607, A 1191 and A 1361 - to eliminate another 4,336 glass jobs and 6,504 support jobs, with a loss of $565,273,480 to the economy of New Jersey. Gentlemen, I have backup sheets here to spell out exactly how I arrived at those figures. This is not something I arrived at with a Ouija board or something else. These are facts and figures taken from our dues collection and also from the amount of glass made, etc.

I have testified in hearings all over this country at municipal and state levels. It never ceases to amaze me how the dozens of what we have come to call eco-freaks can profess to know more about jobs, job loss and the economy of our country than the industries involved, George Meany and the AFL-CIO. And, gentlemen, the AFL- CIO has adopted resolutions in opposition to this type of legislation based on facts and their experiments in checking out and knowing what they are talking about. Yet everywhere we go, we find that all the environmentalists come out and say this and that and say how many jobs are going to be created. I will get a little bit later into what happened to us in Oregon.

It also never ceases to amaze me that the news media will gobble up and print, as gospel, any information put out by a college professor. One of the previous

speakers, you will remember, did discuss or bring out information from Oregon by a couple of college professors. Let me tell you, gentlemen, that this is only one of many college professors that have done these types of studies and there has been none, not a single study, that we haven't been able to take apart and prove that they were wrong, erroneous, full of suppositions, etc. They just don't get the facts. They don't come to the industry or the unions involved. They sit down at a desk and come out with this type of information. Believe me, if you want to discuss this - I know you don't have the time - but if you want to, I will sit down with you anytime and go through and prove these facts to you.

I would be remiss in my duties if I did not comment on the activities of the Environmental Protective Agency, the multi-million dollar bureaucracy in Washington that spends taxpayers' dollars like they were going out of style. They run all over the country, appearing at meetings and hearings at all levels of government, from the municipal level on up, pouring out biased opinions ---

ASSEMBLYMAN BAER: Can you try to confine yourself to the proposals that are before us or to alternate proposals, without going too far afield ---

MR. MOORE: Yes, sir.

ASSEMBLYMAN BAER: (Continuing) --- in dealing with the advocates one way or another. We are not primarily concerned with who is advocating and going into that in depth. We are more interested in the proposals if you could limit it to that.

MR. MOORE: I would agree to that on this basis, sir, if the Environmental Protective Agency makes an appearance here today and puts into evidence that type of information, which we could rebut, then I think I should have the opportunity to come back and rebut their statement.

Is that agreeable?

ASSEMBLYMAN BAER: Well, I will request that the staff make available to you their statement when it is submitted so that you will be able to submit anything further to us that you wish to in response to their statement.

MR. MOORE: That will be fine because a lot of the stuff they have put in is certainly not correct.

ASSEMBLYMAN BAER: We certainly are interested in hearing all we can in terms of facts about these proposals or alternative proposals.

MR. MOORE: Very good. I just want the opportunity to rebut what they might put in.

All right. We were talking about Oregon. One of the previous speakers talked about Oregon and about job loss. Our union lost 150 job opportunities in Oregon, 190 job opportunities in Washington and almost 1,000 job opportunities in California as a direct result of the Oregon bill. There were statements made earlier here by a person that there were only so many jobs lost. Even the latest study coming out of Oregon,which will be presented to you later today, did not - and I repeat - did not take into consideration the thousands of jobs that were knocked out in the State of California because they supplied into Oregon. That isn't even in that report.

By the way, it was predicted out there - and we are talking about over 1400 jobs to our union alone - by the college professors and the Environmental Protection Agency that there would be a loss of 39 jobs in our industry.

Gentlemen, we have lost 500 jobs within the last two weeks in the City of Millville, New Jersey. These people are on layoff in the glass industry. In Salem, New Jersey, we just now today and in the last couple of

days have lost over 300 jobs. Those people are on lay-off down in Salem, New Jersey. We have also lost throughout the rest of your State jobs in the rest of the glass container industry and also in the cap plant down in Glassboro that manufactures the caps. This is what has happened to us now already without this type of legislation coming on, which would knock us out of jobs.

Again, the information that I put in here is taken from our dues collection. This is not something we dreamed up and we can back the facts up.

I wanted to point out that in Dade County where they took a referendum vote just the day before yesterday, Tuesday, on whether or not to ban the non-returnables, there were 118 thousand in opposition to that and 88 thousand were in favor of the bill. I might say that they put the bill in there, claiming that the public was pushing to get it, and I don't believe it. The same thing happened up in Erie County, New York, where they had a referendum vote and when they put it on the ballot and took it to the people, they knocked it down and voted against it.

I wanted to talk to you briefly on the Randolph Bill It is in the hopper down in Washington, D.C. and would set up money for municipalities in the state to take care of solid waste reclamation, etc. If it passes and goes through, it will be available to you. This would be an answer to some of your questions.

We are basically in agreement with A 1452 and A 1528. Gentlemen, the reason we are in agreement with this is because our union has for many, many years put our money into the National Center for Resource Recovery.

ASSEMBLYMAN BAER: I wonder whether it would be possible so far as your comments on the Randolph Bill, since that is basically before Congress, if you could

send that to us in writing, along with whatever material you have suggested you would want to send after you read the testimony from Environmental Protection because we do have this time problem.

MR. MOORE: Yes, sir, I would be glad to.

ASSEMBLYMAN BAER: Is there anything further?

MR. MOORE: No, I will knock it off now. Is there anything else you want to ask me?

(Written statement and exhibits submitted by Mr. Moore can be found beginning on page 143A.)

ASSEMBLYMAN BAER: Any questions?

ASSEMBLYMAN STEWART: To your knowledge has any state had bottling laws similar to what we are considering today that have been repealed?

MR. MOORE: As I understand, Vermont had one a few years back and then they let the thing die. It was only on the books for a period of a year and they subsequently let the thing die off.

ASSEMBLYMAN STEWART: You don't have any knowledge of any other state that may have had it and had an adverse experience?

MR. MOORE: No, sir, I don't know of any other state.

ASSEMBLYMAN STEWART: Do I understand correctly from statements made that the advent of the non-returnable bottles 10 or 15 years ago was a boon to the glass industry and, therefore, many of the plants, the Anchor-Hocking in Salem and the Owens-Illinois in Millville and Bridgeton that I am very familiar with, expanded and had more job opportunities.

MR. MOORE: Yes, sir.

ASSEMBLYMAN STEWART: And your feeling is that this particular type of legislation is going to cause a cut-back in those additional opportunities that were created

ten or so years ago. Is that right?

MR. MOORE: Absolutely.

ASSEMBLYMAN STEWART: I am also very familiar with the Anchor-Hocking situation in Salem City. I had the newspaper article in front of me this morning stating 25 percent of the glass workers in that plant would be out of work Saturday morning. Tomorrow is their last day. That concerns me very, very much. That is probably the second or third largest industry in the County of Salem. And when 25 percent of their people are going to be out of work, we have problems. Obviously you feel that this particular type of legislation is going to cause even greater hardships to your industry.

MR. MOORE: Absolutely. There had been talk that the glass workers would gain jobs as a result of the tin cans being put out of business. And our Research and Education Department came out and said that this is absolutely not true. If it were true, we would not be here fighting the legislation.

ASSEMBLYMAN STEWART: I assume your organization did a study and made some kind of a report on these other states and based your conclusion on some documentation. Can you supply us at a later date with some of those figures that you uncovered in Oregon and Vermont?

MR. MOORE: I can show you our job loss out there, yes, sir, taken right from our dues collection records.

ASSEMBLYMAN BAER: Any other questions? (No response.)

Again I would like to ask you: Would you be willing to work with us or with a group of industry people to attempt to work out the details of an alternate approach, perhaps an industry-supported approach, to resource recovery that would not jeopardize the jobs you are speaking of?

MR. MOORE: Our union will definitely,absolutely.

As I said earlier, we have donated our money for some seven, eight, nine, ten years to the National Center for Resource Recovery for this purpose, to come up with the true answer to the problem, not something like this. Believe me, we will.

ASSEMBLYMAN BAER: I want to thank you very much for your testimony.

We will have a five-minute recess and then we will resume.

(Short Recess)

ASSEMBLYMAN STEWART: Our next speaker will be Senator John Horn.

ASSEMBLYMAN KOZLOSKI: Excuse me, Assemblyman Stewart. At this time, and no reflection upon our next speaker, I would suggest if the rest of the speakers could possibly make their comments pretty much directly to new materials rather than rehashing things that we have already heard a number of times, it would be appreciated, because then we would be able to hear more people and, of course, hear more new information.

ASSEMBLYMAN STEWART: Did you get those orders, Senator?

SENATOR HORN: I can just about be excused then.

ASSEMBLYMAN BAER: Since you weren't here to hear the previous testimony, would you please confine yourself to new areas and not cover anything that was discussed before. (Laughter.)

S E N A T O R J O H N J. H O R N: The area I am going to briefly address is one of which I think everyone in this room is aware. I am going to make some brief remarks and they are going to be relative and direct to one company to show you the serious effect that the banning of returnable bottles could have upon the

well-being of this state. And I am sure most of you people realize the deficit that this State is facing in its budget presently this year. I am talking about the Owens-Illinois Company in the State of New Jersey.

Also, if no one made the comment as to this point, I would like to say I just received from the Commissioner of Labor and Industry, Mr. Hoffman, a copy of a letter that we had sent to Washington, relative to another company, where the unemployment rate in the State of New Jersey is now approaching 9 percent, which is the highest rate in the United States; and in some cities in this State, it is as high as 16 percent.

When we talk about banning bottles under legislation presently being considered here, the Owens-Illinois Company just in New Jersey alone employs 7,932 people and they pay wages to people residing in the State of New Jersey in the amount of $78,505,000 and pay taxes, municipal and state, of $4,157,000. There are other figures that I have here, such as the number of employees in the various plants in New Jersey, but the point I want to make is that I don't think by banning the returnable bottles you will answer the problem that you are trying to solve. You have other legislation here before you today that I think will go to the correction of the problem, without destroying the employment picture in the State of New Jersey and destroying the well-being and the welfare of a lot of long-term employees in the glass industry.

Whether you know it or not, the glass industry in this State is a large industry with many plants in Southern New Jersey.

I would respectfully request the committees who are considering this legislation that the bill on banning bottles not be released from committee and that the bill concerning the recycling of those bottles be the

avenue which we would take, for the very simple reason that it will create employment and it will correct the situation and preserve the well-being of the State, assisting in relieving the burden of our high unemployment.

Once again, I respectfully submit that the bill on the banning of non-returnable bottles not be released from committee.

ASSEMBLYMAN STEWART: Any questions? (No response.) Thank you, Senator.

SENATOR HORN: Thank you ever so much.

ASSEMBLYMAN STEWART: Our next speaker will be a representative from the Society for Economic and Environmental Development. Is there anyone here representing that group? I understand someone has already spoken. That is SEED.

League for Conservation Legislation, Mr. Frank Oliver.

F R A N K O L I V E R: My name is Frank Oliver, President of the League for Conservation Legislation. I reside at Teaneck, New Jersey.

ASSEMBLYMAN STEWART: Mr. Oliver, you are going to summarize this statement?

MR. OLIVER: I am going to summarize the statement. There is a lot of technical data in it and there are two long tables. I am not going to attempt to read those for you, except to give you the end result.

Among the objects of the League for Conservation Legislation is the abatement and control of littering and scenic blight. Members of these two committees should be aware of how successful the Oregon bottle control act has been in that regard.

Our statewide public interest group is concerned about the solid waste disposal problem and especially its effect on land use and the alternative possibilities of resource recovery and recycling efforts. To relate these broad problems to the bills before these Legislative Committees (A 1452, A 1528, A 607, A 1191 and A 1361), reference is made to two assessments of the composition of solid waste in Northern New Jersey presented in 1968 reports of the U.S. Department of Health, Education and Welfare; one assigning 4 percent of the total to glass and ceramics, the other report, assigning 6.44 percent of solid waste emanating from Clifton, Passaic, Paterson and Wayne to glass. For comparison, the corresponding percentages given for paper products were 51 and 44 percent.

We are all very much aware of the energy problem. In the face of dwindling supplies of fossil fuels, the conservationist's plea is for restraint in use, so is President Ford's. One aspect of beverage container recycling, therefore, that should be given major consideration is the energy expended in the total glass bottle recovery system compared with the throwaway system, making the complete circuit from raw material sources, as well as bottle and can manufacturing, distribution and back to the container maker as scrap. This presentation will summarize the results of a detailed analysis of the energy-effectiveness of recycling in the beverage industry made by Professor Bruce Hannon, Center of Advanced Computation, University of Illinois, as reported in a paper presented before the American Society of Mechanical Engineers in late 1972. I might add that I am a life member of ASME. He made a least-energy comparative systems analysis for beverage marketing, comparing returnable versus throwaway containers. The study covered not only beer and soft drinks in bottles and cans, but also milk in bottles and in paper and plastic

containers. The analysis shows that the total system resource energy is as much as 3.3 times higher for throwaway systems for soft drinks in bottles and about twice as expensive as for the returnable system.

Much has been made of glass recycling, which Professor Hannon considered as only about 30 percent efficient in terms of recovery from waste. When viewing the problem of recycling from an energy standpoint, it should be obvious that there is a waste of precious energy involved in discarding or breaking a container, sorting it out from other waste and then reconstituting it in a new container. Why not just wash the bottle and use it again? Refillable containers actually have been in use for some time, especially in the bottling of soft drinks and beer, and only recently has the throwaway been introduced as a convenience to the consumer.

In his study, Professor Hannon calculated the total resource energy consumed for packaging in the returnable and throwaway systems on the unit basis of one gallon of beverage delivered to the consumer, obviously not in a one-gallon container. By resource energy, he meant the energy required at source. For example, in electric energy, he considered not what a kilowatt-hour is in Btu, but what it is in fossil fuel. It is three and a half times as much because electric power plants are only about 30 percent efficient. The complete system cycle for a throwaway bottle begins with the raw materials - sand, limestone, soda ash and feldspar - acquired from various sources and transported to the glass manufacturing plant where these materials are combined with recycled glass in the bottle-making process. Finished bottles are shipped by rail or truck to the bottler, who washes and fills them, and distributes them to retail outlets.

In his analysis and in the table that accompanies my

written piece here, he shows the breakdown step by step, including the energy by truck or rail and the various steps in the process. I will not go into the details here.

In the returnable system, the average 16-ounce soft drink bottle is filled eight times before it gets broken or discarded. For the equivalent volume of beverage, eight throwaways would have to pass through the retail outlet. Since the throwaway can be made lighter, the figures for glass weight used by Professor Hannon was 1 pound per gallon for the returnable containers and 5.25 pounds per gallon for eight times the number of throwaways.

The accompanying table gives the corresponding energy expenditures in Btu per gallon of beverage based on eight refills of returnable bottles, starting from raw material sources. And it ends up on eight refills, using new glass, using 2.4 times as much energy as in the throwaways; and for 30 percent recycled, 2.5. For 15 refills, the figures would go up to 3.3 times for throwaways and 3.5 for recycled glass, compared to the returnables. He took into account, incidentally, the energy for collecting and hauling of discarded glass.

The energy for collecting and hauling of discarded glass was based on gasoline consumption for trucks (7 miles per gallon) with an average trip of 20 miles, and using resource energy of 125,000 Btu per gallon of gas. In calculating the energy for separation and sorting of glass from mixed solid waste, the input to the unit was considered to be a unit of solid waste containing 1 ton of glass, and estimating 50 percent efficiency for separation and 60 percent for color sorting, the final yield being only 0.3 ton of recoverable glass out of the original ton.

From this tabulation it is apparent that in both the returnable and throwaway systems, the net effect of recycling discarded containers from mixed waste is to raise the total energy commitment, due to the large energy

contribution of the separating and sorting process. In both systems, the savings in transportation of raw materials is offset by the corresponding energy cost of transporting broken glass to the container maker. Energy is considerably reduced if the consumer brings his bottles to a collection point.

Hannon's paper provides some interesting sidelights on 12-ounce beer cans. The aluminum lids added to steel cans to make possible the use of the littering pull tab opener accounts for only 11.9 percent of the can weight, but a wopping 30 percent of the total energy to produce the can and deliver it to the bottler. The reason is that virgin aluminum consumes five times the power to produce a unit weight as for steel, which uses an average weight of 44 percent scrap in its production. Recycled aluminum, however, is on a par with steel, energywise.

Based largely on Bureau of Census records for 1967, the energy consumption estimates for 12-ounce bi-metallic soft drink cans with steel bodies and aluminum lids was 48,000 Btu per gallon, almost half contributed by the manufacture of steel strip from the ore. The all-aluminum can system is 38 percent more energy consumptive than the bi-metallic can. Compared to the 12-ounce bottle system, which is nearly extinct, the bi-metallic can would double the total system energy requirements.

The corresponding energy consumption figures for the 12-ounce returnable beer bottle per gallon of beverage consumed for 19 refills is about three times.

In Table 2, I have summarized the earlier figures given.

I am about to conclude this. An economic and labor study made in 1972 by the Illinois Institute for Environmental Quality indicated that if a complete return to returnable beverage containers were made in

Illinois, there would result a saving to consumers of $75 million and a net increase of 1500 jobs. There would be jobs lost in the steel and container industries, but more lower-paid jobs would be produced at the wholesale and retail level.

In his paper, Professor Hannon estimated that if the beverage industry were converted entirely to returnable containers, the 1970 container systems energy, which accounted for .48 percent of the total U.S. energy demand, would be reduced about 40 percent. In that year, the energy savings would have supplied the total electrical needs for Washington, D. C., Pittsburgh, San Francisco and Boston for about 5 months.

It should be obvious that in this energy conscious age, any steps taken to conserve our dwindling energy supplies are in the right direction. The analysis just presented leaves no doubt as to where large savings in resource energy lie - in returnable containers. Thank you very much.

(Tables referred to by Mr. Oliver can be found on page 152A.)

ASSEMBLYMAN STEWART: Any questions?

ASSEMBLYMAN BAER: Of course, I realize this isn't your study. But I would like to ask why the assumption of 30 percent recycled; in other words, the assumption that if there were recycling as an approach, that the glass used in making bottles, only 30 percent of it would be recycled glass? Why that percentage?

MR. OLIVER: This is based on the fact that you would have, say, bottles that were smashed and brought back to the plant, and there would be a loss in that process. So you would get out about 30 percent of the original. Those are the figures given by ---

ASSEMBLYMAN BAER: I don't think I have made myself

clear. I understand that so far as figuring returnables, the number of fills is based on the life expectancy and the smashing in transit and other things perhaps that can affect its reusability. But what I am asking is: In the figures here where a new bottle is to be produced, either because a returnable has to be replaced or alternatively in the throwaway system, but in each case where that has to be produced and is based on use of recycled materials, the assumption is that only 30 percent of materials going into that new bottle is recycled. I wondered where the assumption was derived from that if an effective recycling system was at work, only 30 percent of the materials used could be recycled as opposed to 70 or 80 percent, because presumably that would have a major impact upon the energy conservation figures that are printed here and that are the whole basis of the thesis you are making.

MR. OLIVER: Let me just quote directly from a paper here which I have in hand, this ASME paper.

ASSEMBLYMAN BAER: Is that the report, itself?

MR. OLIVER: This is it, yes. What I gave you is an abstract.

ASSEMBLYMAN BAER: Is this the one that was identified here as available for $3?

MR. OLIVER: That's correct.

ASSEMBLYMAN BAER: And that is that report in your hand?

MR. OLIVER: This is it. If you wish to run it through your xerox machine, you are welcome to do so.

ASSEMBLYMAN BAER: I think we would prefer to save the State $3 and run those few pages through the xerox machine.

MR. OLIVER: Actually, my abstract was maybe 10 to 15 percent of the total wordage in this paper here, and it runs to some 11 pages, double columns.

ASSEMBLYMAN BAER: I see. They were conserving resources too when they wrote the report.

MR. OLIVER: What I started to read to you - and I have lost my place here - is what his reference was here. I will just skim through it.

ASSEMBLYMAN KOZLOSKI: Mr. Oliver, is that recycled paper?

ASSEMBLYMAN BAER: Go ahead, sir.

MR. OLIVER: "The energy to remove a ton of glass from municipal waste is the same as that required to remove a ton of steel or a ton of paper. Input to the separation unit is considered to be a unit of solid waste, containing one ton of glass. Thus a half a ton of glass is output for cleaning and sorting, and the final yield is 0.3 of a ton of sorted glass, 30 percent of the original input. Note that for each process, separation and sorting, we must charge the processing energy on the basis of the amount of glass input; that is, separating one ton of glass from a unit of solid waste consumes 1,941,000 Btu's, etc." The rest is given in figures of that kind.

ASSEMBLYMAN BAER: All right. Mr. Oliver, I don't want to ask you further about the technical aspects of that report since you are going to make it available to us for the record. But I did want to ask you in terms of over-all concepts, although you have certainly indicated in your testimony a preference for the returnable approach as opposed to the recycling approach, do you feel that a recycling approach could be effective enough to be warranted, in your judgment, trying to develop perhaps to a higher efficiency than the 30 percent mentioned here? And, if so, would you be willing to work with a group of people trying to find an effective recycling

approach for use in this State?

MR. OLIVER: I have to say, yes, to that question because I am already involved working with one group who is trying to set up a recycling system in the Hackensack Meadowlands because our basic priority is land use and the refuse disposal problem. So we would favor any system that would start out with resource recovery of refuse, and that might include glass. So I would say we would certainly want to work with that as one phase of the problem.

I merely presented this data on energy on the basis that we do favor the returnable system, but realize that it might not go across in this State. There will always be some glass that will find its way back as broken glass or mixed in with general refuse.

ASSEMBLYMAN BAER: No more questions.

ASSEMBLYMAN STEWART: I have only one question. The economic study was made in Illinois by the Illinois Institute for Environmental Quality. What did Illinois then do? Did they enact any legislation or decide not to enact any legislation or is there pending legislation?

MR. OLIVER: In Illinois?

ASSEMBLYMAN STEWART: Yes.

MR. OLIVER: Not that I know of.

ASSEMBLYMAN STEWART: So they did not heed the recommendations of the report?

MR. OLIVER: It was a proposal at that time.

ASSEMBLYMAN STEWART: Which was not enacted?

MR. OLIVER: I have to make that conclusion because the Professor states in his paper that if that law were adopted, this would follow. It was an assumption made at that time.

ASSEMBLYMAN STEWART: Thank you very much.

I would like to repeat what Byron Baer has tried to emphasize. When you give us a written statement, we would appreciate if you would try and summarize it. Maybe we are not making it clear, but that entire statement will be entered into the record. Once you give us a statement, that is your statement. If you make off-the-cuff remarks summarizing it, they are just for our benefit here today. But your entire statement is made part of the record and both committees will see your entire statement. Naturally we have a copy of it here and all of us have a chance to review it. So it is not necessary to read the whole thing. And we don't want you to think that we are not taking your statement because it will be in the record.

Our next speaker is from the Glass Container Manufacturers Institute, Mr. Kent Wald.

K E N T W A L D: Mr. Chairman and Members of the Assembly, it is indeed a pleasure for me to be here today.

I am an employee of the Glass Container Manufacturers Institute, which represents the major producers of glass containers throughout the nation and especially in New Jersey. I say especially in New Jersey because New Jersey is the largest glass-producing state of any in the United States, and we are very proud of that fact. We are very proud that there are 12 manufacturing factories here in New Jersey in 11 communities. There are more than 13,000 workers in New Jersey, generating a payroll of more than $150 million annually.

In compliance with your wishes to make a very brief statement and to present new material, I would like to summarize my complete statement very quickly with some preliminary remarks. And then for the edification of the members of the panel, I would like to have your permission to use about ten minutes of your time to present

a flip-chart presentation on the results of the Oregon experiment as offered to the State of Oregon by the Applied Decisions Systems Corporation of Massachusetts. This is the official study of the results of the Oregon law. I would like about seven to ten minutes of your time to present that to you.

ASSEMBLYMAN STEWART: May I ask you a question first. Is the slip-chart presentation included in here?

MR. WALD: Only a very brief summary of it. I could do it in five minutes as a matter of fact. Three minutes?

ASSEMBLYMAN STEWART: Fine.

MR. WALD: If I may, I'd like to make some preliminary remarks before.

ASSEMBLYMAN STEWART: Why don't we skip the summary of your report and go right to the slip-chart? Would that be okay?

MR. WALD: That's very good.

Gentlemen, we did not have the proper kind of platform or frame for this presentation. Let me try to do it with what we have. Incidentally, this is Bill Bieryla, who is employed by Metro Containers and is the national coordinator for New Jersey for the glass container industry.

I am afraid my colleagues in the Glass Workers Protective League can't see this presentation. I wonder if we could move it over.

ASSEMBLYMAN STEWART: If you move it over there, we are not going to see it. It is all according to whom you want to impress.

MR. WALD: Obviously this is the title of the bill. (Indicating) It's a study of the bill one year after its effective date. In other words, one year has past; let's see what has happened in Oregon.

Litter was the main objective of the bill. It is a very complicated bill which sets up a series of refunds, deposits and a ban on pull tabs.

First of all, beverage-related litter is down 66 percent in the state. Non-beverage litter is up 12 percent during that first year. Over-all litter is down 10.6 percent, and that is because beverage-related litter is 30 percent of the total.

Let's continue with litter. Litter pick-up costs, official pick-up costs, increased in Oregon by 10.7 percent during that first year. The report points out a very important fact that all of us should be aware of, that the bottle bill publicity changed the attitude perhaps of the average Oregonian towards beverage container litter, but not total litter. That is evident in the fact that total litter actually rose.

Let's move on to profit. Profits in Oregon were alluded to earlier. Certainly we do not agree with the very limited research done by two Assistant Professors at Oregon State University, and, in fact, the ADS report cites the faulty reference data used by those two professors. In fact, those two professors also applied to do the study and were rejected.

Let's move on to profits. Total loss during the first year, 7.2 to 9.3 million dollars for all industry. Retail stores estimated loss was $2 million, although retail stores were not included in this survey because the data was not complete from the retail industry.

Let's move on to the next category, the soft-drink category. Private label sales - and that's usually the most economical buy for the consumer - were down 40 percent during the first year of the law. Franchise brands achieved their former growth rate. Total unit

sales, however, were down 4 percent for soft drinks. The industry suffered a profit loss of between $3.1 to $3.5 million. Their former growth rate was in the neighborhood of 8 to 10 percent.

Let's look at the beer industry. Package sale loss was actually 0.3 percent during that first year. The former growth rate of the beer industry in Oregon was 5.7 percent. So we do see a disparity there. The market share of the regional breweries - in other words, the breweries in Seattle and in Portland - actually suffered a loss of their market. The nationals gained a percentage of the market as a result of the Oregon law. Thirty-four brands were offered for sale in Oregon prior to the law; twenty-four are now offered. So you can see the consumer choice would be limited.

I might add that this data is right from the report. There are no editorial comments offered. This is straight data taken from the 300-page report.

Can manufacturers, as you might suspect, suffered an 83 percent loss during that first year. Their profit decline was between 2.3 to 2.5 million dollars. Job loss was 140 to 160. I might add that the can industry had only two very small custom canners in the state, nothing to compare with the magnitude of the industry in New Jersey.

Let's move on to our favorite industry, and that is the glass industry. There are two regional factories, one in Portland. There is only one factory in the entire State of Oregon. Sales prior to the law were $5.4 million in Oregon. The first year the study revealed that the sales actually increased to $6.1 -- to $6.8 million. However, the current level of sales is now projected at between $1.8 and $2.4 million. I think the important contrast is between these two figures. The job loss was

over 200 jobs and an additional 65 jobs would have been lost if business had not been transferred from a midwestern factory to the Portland Plant of the only factory in Oregon. (Turns to next chart.) Glass, continued: The profit lost the second year in this range: wages lost, almost $2 million. The regional breweries are receiving a 110 percent return of their bottles. That is because the national breweries are not shipping their bottles back to the national factories for refilling.

The report in its final draft stated that Oregon is unique and that its experience perhaps could not be translated to other states. The Governor and several legislators objected to the term "unique." So the final report states it in two paragraphs. It states it is unique, but it doesn't say it is unique. So rather than state those two paragraphs in this report, I put the word "unique" in. I will have to add that that is an editorial comment. But I did that rather than state the two paragraphs.

Let's look at Oregon and find out how it contrasts with your own state, which has a very heavy and dense population. Beer was dominated by the local and regional breweries - 81 percent of the market. Thirty-one percent of the beer market was returnables prior to the law; soft drinks, 53 percent returnable. If I had to make a guess, I'd say that your market is about 95 percent nonreturnable for both categories. Population, under two million; a traditional conservation ethic in the state; a very scenic state; and there is a very small industry and labor base in Oregon compared to New Jersey, which is heavily industrialized.

Consumer attitudes. This is 11 months after the law went into effect. Ninety-one percent favored the law, which is an interesting figure. Eighty percent showed a

willingness to pay slightly higher prices. Eighty percent said there would be no convenience -- inconvenience -- to return the containers.

We have a very detailed breakdown on what the total consumer costs would be as a result of this law after the first year. I am not going to go into this in detail because of the time period. But the final bottom line cost, and this is excluding all retail figures, would be approximately $10 million added cost to the consumers of the State of Oregon - that's under 2 million consumers - during the first year of the Oregon Bottle Bill.

Employment. Certainly this is of great concern to all of us, not only in the glass container industry, but also in others. The total job loss was in the range of 340 to 427. I might point out that those jobs are high-paid, highly-skilled jobs in the manufacturing level. These are glass workers, such as are represented in the galleries today; steel workers; people in the manufacturing end. Total jobs created, 175 to 200. And these are primarily in the distribution system. These are overhead jobs - overhead costs that would be passed on directly to the consumers; whereas, a manufacturing job generates wealth and other jobs, plus retail jobs and retail overtime which were not included in the survey.

Finally, I think this page is the most interesting because it attempts to separate political rhetoric from the actual data. This was an Associated Press summary that compares the claims made by the Bottle Bill proponents to the actual data compared in the official report that was recently accepted by the State of Oregon. It was accepted within the last two weeks.

First of all, for the proponents, the bill is a perfect model for other states, the proponents have said. The report, as you see, points out that Oregon is unique,

no question about it. The proponents -- in fact, Governor McCall said in a speech in Moscow, Idaho, about three weeks ago, that total litter had been reduced by 90 percent in the State of Oregon. We saw the data. Total litter is down 10 percent.

The proponents have said there had been an increase in net employment. The report points out there had been a net decrease of 227 jobs.

Profits - the bill proponents have claimed profits have been increased by $4 million. There was an actual loss of profits between $7.2 and $9.3 million. They said there had been a sales increase; there has been a net decrease in sales.

The proponents finally have said - and this is again the bottom line - that the consumer had actually saved money as a result of the Oregon Bottle Bill. What happened was the consumer actually was the big loser.

I'm sorry I went about two minutes over. That is my eight-minute summary of the Oregon Bottle Bill. (Applause.)

If I may make a final comment, you can see what the application would be to your fine state. We would estimate that employment would suffer in the magnitude of between one-third and 40 percent of the total. You saw what happened to the one factory in Oregon. We think there are better solutions. You have asked previous witnesses for their pledges of cooperation. I would like to state categorically in behalf of the manufacturers in this state - and I think I can speak for my colleagues in organized labor - that we would be happy to meet with this Committee or any other agency of the State at any time you wanted us to, to try to increase the total amount of glass recycled in the State.

We think it is a desirable objective. We are earnestly promoting and seeking used glass for the

production of new glass containers. We will meet with you any time. We pledge the full support and cooperation of the industry and its trade association. Thank you.

(Written statement submitted by Mr. Wald can be found, beginning on page 153A.)

ASSEMBLYMAN STEWART: Any questions?

ASSEMBLYMAN BAER: Just one. I notice in your statement, you make reference to this ARM program. Could you provide this committee with information on that?

MR. WALD: I would be delighted to. I think it is the most exciting and probably the most efficient anti-litter program that I have seen anywhere and I have been doing this kind of thing for five years.

ASSEMBLYMAN BAER: If you can submit that in writing, it would be appreciated.

MR. WALD: I would like to point out to the Committee that a witness will be present later on in the agenda from the United States Brewers Association. The United States Brewers Association has taken the leadership in the ARM program and I would like to defer specific comments to that witness. I would be delighted to work with him in providing the material to this Committee because I think it is an effective anti-litter program.

ASSEMBLYMAN STEWART: Thank you very much for your presentation.

MR. WALD: Thank you.

ASSEMBLYMAN STEWART: Is the representative of the Coca-Cola Bottling Company, Mr. William Pearce, present?

ASSEMBLYMAN BAER: I would like to make just one comment and, that is, in terms of the best use of time, I think we have already received a great deal of testimony with regard to the adverse effect of certain approaches. I am sure we will be receiving in written statements

probably a good bit more information in terms of the adverse effect of certain approaches. But I would hope, as one member of this committee, that most of the testimony from here on out will focus on that positive direction that witnesses feel we should be following and going into that. I don't know that it is really necessary to spend more time driving home the point that there are adverse effects from some approaches. Maybe by focussing on the positive, it will be a more efficient use of time so that everybody here will be likely to be heard from before the day is over.

W I L L I A M P E A R C E: Thank you, Mr. Baer, and I agree with you one hundred percent. Therefore, I am not going to read my statement because it is an updated statement from a statement that I made in this Chamber in 1971. The main thrust of that statement at the time was, what really happened to the returnable bottle, because anything we talk about in the vein of mandatory deposits, the key to the thing is trippage, trippage on returnable bottles.

Very briefly what I had contained in this statement is the fact that no bottling company in these United States expended more money to sustain the life of the returnable bottle than the Coca-Cola Bottling Company of New York in about a five-year period from 1968 to 1973, spending thousands and thousands and millions of dollars worth of effort. Yet we watched the returnable bottle go from well over 50 percent of our business in 1968 down to less than 3 percent of our business today, at the same time, trippage going from 25 trips down to less than 5 trips today, all this in view of the fact we expended when we had a good share of returnable business tremendous amounts of money on promotion. So, in effect, what I am saying is that we are in a convenience society

and the returnable bottle, what is left of it, has practically become a one-way bottle. That was my main thrust on the returnable bottle.

Other than that, the Coca-Cola Bottling Company of New York and the Coca-Cola Bottling Company of Philadelphia, that is also represented here today, operate about 11 or 12 distribution centers in this State and we feel strongly that any mandatory deposits on non-refillable containers will certainly place an undue burden on our industry. We have a can-producing plant in Paterson and it is very conceivable that our hundred employees in that plant, along with the plant, practically being closed out.

We said in 1971 that we felt that the short-term answer to the solid waste litter problem was recycling. We demonstrated that belief through opening 17 recycling plants, five of which are in New Jersey. Since that time we have, the Coca-Cola Bottling Company of New York, removed well over 200 million containers from the solid waste stream. We didn't say that then or we don't say that now to pat ourselves on the back, but we said it was a short-term thing to create an awareness to this problem. We said in 1971 that the answer on the long range was a systems approach and we said then that these systems were being developed. Today they are a reality.

So, gentlemen, in closing, I would just like to read my last page because I am saying what almost everyone else said in this room.

Our commitment in terms of jobs and taxes is substantial. To return to the returnable system can only result in reduced volume, higher costs, more energy consumed, and mass confusion at the retail level.

And all this, gentlemen, with absolutely no guarantee that litter and the solid waste problem would be reduced

appreciably . . . or if at all.

The Coca-Cola Bottling Company of New York, Inc.- and I can add Philadelphia - has not taken a back seat in facing up to its responsibility in environmental issues, and we are not playing the "fire and fall back" game.

I pledge the support of our company to work hand-in-hand with those of you who conscientiously want to resolve the problem. This, of course, is one of the basic objectives of the Labor-Industry Committee for Resource Recovery, a committee of concerned men representing labor and industry, dedicatedto the belief that the final solution to the litter and solid waste problem rests with the systems approach to the collection, separation, disposal and recycling of all solid waste material . . . ultimately benefiting both the community and the consumers.

Thank you.

(Written statement submitted by Mr. Pearce can be found beginning on page 163A.)

ASSEMBLYMAN STEWART: Are there any questions?

ASSEMBLYMAN KOZLOSKI: Where are some of your recycling plants located? Perhaps some of us on the committee might want to visit one and receive additional information?

MR. PEARCE: We are operating recycling plants at our Paterson branch, Asbury Park, North Newark and South Newark.

I can't speak for the Coca-Cola Bottling Company of Philadelphia, but they do have a representative here who will make a very brief statement.

ASSEMBLYMAN BAER: I have one question. With the recycling that you are doing, what percentage of the glass that goes into your bottles now is recycled?

MR. PEARCE: I can't answer that question. I am sure the Glass Container Institute can or Bob Donovan of Owens-Illinois can. But it would be a broad figure

of their general statistics. In other words, I believe that can be answered by the glass industry. We don't know what is coming back to us. But we have taken just hundreds of thousands of tons of glass and aluminum that have been recycled, at a cost incidentally out of profits of over a million dollars to us, just labor and promotional costs alone.

ASSEMBLYMAN BAER: You say that it is an added cost to you to recycle this material?

MR. PEARCE: Oh, yes. Let me just say, we have changed our program considerably since 1971, but for the first year and a half of operation, we were open every Saturday morning from ten in the morning until three in the afternoon, with very, very high-priced labor manning the recycling centers, some supervisory personnel and labor who were on double time or time and a half at least for Saturdays. We changed our payout to the consumer and now all the proceeds of the glass are being donated to the United Fund and that represents total corporatewise in our 17 plants in excess of $75,000 per year, yet we still have our labor costs.

ASSEMBLYMAN BAER: Well, are you saying that it is uneconomical or less economical to use recycled glass?

MR. PEARCE: I didn't say that. I am merely relating what we are doing in an effort to recycle. We are expecting this to be an expense to us. I will let the glass industry tell you the economics of recycled glass.

ASSEMBLYMAN BAER: I see.

MR. PEARCE: But I am under the impression, as Mr. Wald just said, that they are anxious to buy all the cullet that can be collected because this then makes it a more economical glass-production activity for them.

ASSEMBLYMAN STEWART: Thank you very much.

MR. PEARCE: Thank you.

ASSEMBLYMAN STEWART: Next will be Assemblywoman Betty Wilson.

A S S E M B L Y P E R S O N B E T T Y W I L S O N: Good morning. I came to testify on the bill which I sponsored, A 1452.

This bill would provide State aid to municipalities on an incentive basis if those municipalities enact ordinances that require the separation of recyclable solid waste at the place of collection and provide for the collection and delivery to the reprocessing industry of recyclable solid waste.

The bill requires that the ordinances shall contain penalties for violations. The grants shall be no greater that 50 cents per capita for the first year of the program and half that amount for the second year of the program, if the municipality has provided for the mandatory recycling of four or more categories of solid waste, including newspaper. The grants shall be no more than 30 cents per capita for the first year, and half that amount for the second year, if the municipality has provided for the mandatory recycling of fewer than four categories of solid waste; again, one of those categories would have to be newspaper.

Passage of this bill will decrease the volume of solid waste to be disposed, will conserve natrual resources as well as energy; yet by making the program voluntary on the part of the municipality - that is, they decide whether they want to participate by passing a local ordinance making separation at the source mandatory - we can implement a program that can become operational more quickly without creating great costs to the State. Allow me to note here that I believe the appropriation that we have

included in the bill is far in excess of what is needed and therefore ought to be reduced. That figure was arrived at by multiplying the total population of the State by 50 cents. Since I believe it is unrealistic to assume that every municipality in the State is going to participate, that amount is far in excess of what we would need. So I would like to speak to the Committee about some reduction in that figure.

I see the bill as an interim measure until we find a long-term solution to this State's solid waste management problems. I am aware of the possibilities for large scale recycling equipment which could effectively utilize, without separation at the source, all recyclables except paper.

However, I feel that it is urgentthat some steps be taken in the meantime to encourage recycling, particularly of newspapers, but also of other classes of solid waste named in the bill, so that increased recovery could actually be taking place on the local level while regionally-oriented planning, approval and adaption processes are in progress. I would hope that these processes would not be too lengthy, but the possibility of a substantial time lag does exist.

Many voluntary recycling programs now exist in New Jersey. Yet much recyclable solid waste is never recovered. Passage of this bill should provide the stimulus for the large volume recycling of newspaper, glass and metals, which some of us recall from an earlier era. It should contribute to the success of county recycling centers by increasing the volume of recyclables available to those centers. Furthermore, it should alter the economics of reprocessing and assure a future market for usable items which are now discarded.

I would like to note here that I see no conflict

between this bill and any of the Bottle Bills. If a Bottle Bill is passed, there would still be a substantial volume of glass to be recovered. The Bottle Bills direct themselves to a particular class of glass containers and would have us return to the habits of an earlier day, and that is that of returning rather than throwing away.

ASSEMBLYMAN STEWART: Betty, before you arrived, much of the testimony from the industry and the labor organizations was in support of your particular bill. In fact, I think most of those who have testified before your arrival were speaking in favor of your approach. The question of the money was one of the questions. Do you have any rough idea of approximately how much you feel you have overestimated?

ASSEMBLYPERSON WILSON: It is hard to say. I know that it is far in excess of the solid waste budget that the Department of Environmental Protection has. I think the total solid waste budget this year is $300,000. Since I have asked for $3.5 million, it's a bit out of line. I don't think $100,000 is enough. That figure was suggested at one point by someone in the Department of Environmental Protection. Maybe if one looked at their total solid waste management budget, that would be in the proper ratio. But, in fact, I don't think their total solid waste management budget is sufficient. So, if we were to say $500,000, I think that we would be able to provide the incentive for those communities that would be willing to participate in such a program.

ASSEMBLYMAN STEWART: Assemblyman Baer has been asking a question -- I guess I'll let you ask your question again, Assemblyman. The question he has been asking a lot of people is: Do you have any suggestion, other than using State revenues, to fund your particular program?

Have you thought anything about that?

ASSEMBLYPERSON WILSON: I have thought about perhaps setting up a revolving fund. I talked to people in the department about a revolving fund so that the money could keep coming back and being used again, the fund being from revenues from the sale of recyclables. But we decided that the administration of such a revolving fund would probably run into substantial expense and might just not pay, because the money is going to come to the local governments. It is not just going to fall into a hole somewhere. Local governments will have it to use for whatever it is they need to use it.

ASSEMBLYMAN KOZLOSKI: Assemblywoman, at the present time can you cite any communities that are doing this particular type of thing right now? And what is their experience, if you do know of any?

ASSEMBLYPERSON WILSON: Yes. The City of West Orange has done it and they have done it with a great deal of success. I have had some close discussions with the man who has directed their program up there, Mr. Minx. They phased it in over a period of time. They didn't do the whole city at once and it worked very well. People were cooperating.

ASSEMBLYMAN KOZLOSKI: Would it be possible for you to secure from Mr. Minx for this Committee information such as, in their first year of operation, how many vehicles they had to purchase, the total cost to set this operation up and how it has worked. How many years has this worked? I really don't know.

ASSEMBLYPERSON WILSON: I think it is about a year. They may not have reached the full year as yet. But the one thing that you do have to do, if you are going into mixed paper, you have to buy another truck; but if you don't go into mixed paper, you probably don't have to

buy new equipment unless you just don't have a sufficient number. But you don't need new types of equipment for anything except mixed paper.

One of the problems that is run into and one of the reasons not to go into mandatory recycling of everything in the State all at once is the development of markets. If we flood the market very suddenly with large volumes of metals, glass, paper, mixed paper, newspaper, we won't have the markets for the recyclables. That is a fairly certain experience that people in the industry, Mr. Minx among them, who are strong advocates of recycling, recognize. It would take a great deal of expertise and probably expenditure on the part of the State Department of Environmental Protection to develop those markets. It is not that they are not there; but it is just that you don't jump on the scene tomorrow and find those markets. They have to be developed.

ASSEMBLYMAN KOZLOSKI: Thank you.

ASSEMBLYPERSON WILSON: And I would be happy to get whatever information you want from Mr. Minx.

ASSEMBLYMAN KOZLOSKI: I would like to know the initial cost, how they got set up, etc.

ASSEMBLYMAN RYS: This is not a mandatory bill?

ASSEMBLYPERSON WILSON: No. No municipality will have to participate in this if they don't want to.

ASSEMBLYMAN RYS: Have you arrived at the total cost at the present time?

ASSEMBLYPERSON WILSON: Total cost of what?

ASSEMBLYMAN RYS: -- of this project.

ASSEMBLYPERSON WILSON: As I said, we took 50 cents times the population of the State and that comes up with what is probably an astronomical figure. I am sure that every town, every city and municipality in the State is not going to do this. So I am recommending that the

Committee reduce the appropriation to $500,000.

ASSEMBLYMAN RYS: Have you got any costs for picking up the material and disposing of it? I am talking about hauling now.

ASSEMBLYPERSON WILSON: No, I don't have figures on the cost of hauling. But, of course, the communities would have to haul it away. The communities would then receive the money. You probably can't make too much money on glass and metals, but you make money on paper. So in the total operation, they would probably be able at least to break even, and this again is based on experience.

ASSEMBLYMAN BAER: Your reference to a revolving fund, of course, is based on the assumption that this would probably balance out more or less, as you have just indicated.

ASSEMBLYPERSON WILSON: Yes.

ASSEMBLYMAN BAER: If that were not the case or if there was a period where that were not the case, have you considered as an alternate means of financing this, that the industries, themselves, which produce the majority of this material that ultimately becomes refuse for recycling might have some responsibility for creating the fund to handle this? Has there been any consideration as to the feasibility of this or ways of doing this?

ASSEMBLYPERSON WILSON: No. I don't think it is a bad idea. I think it might discourage excess packaging for one thing. But I did not consider that in developing this bill. One of the things I do think - and this is again something I didn't incorporate into the bill, but we ought to consider - to encourage recycling and, therefore, in this case to encourage municipalities to go to recycling, is that perhaps people should be given

an exemption from paying sales tax on items that are made out of recycled material. I think that would provide some incentive for more recyclable operations.

ASSEMBLYMAN STEWART: Thank you very much.

Mr. Donovan from Owens-Illinois will be our next witness. After Mr. Donovan,we will hear from the League of Women Voters if someone from that group is here now.

R O B E R T C. D O N O V A N: Thank you.

Gentlemen, I am delighted to have this opportunity. I think anything in addition to what the glass industry has presented thus far would be in a sense redundant.

I had presented on behalf of our facilities a statement in April and again in June, and I will resubmit it and update it. I am sorry that I haven't it with me.

Really the only thing I can add is that we join other members of industry in pledging our full cooperation to this Committee and to the State of New Jersey in working on any realistic solution to our solid waste and litter problem that would not be harmful to industry, especially at this critical time. Beyond that, I would be happy to answer any questions you might have about our industry or production facilities or the nature of the problem.

(Written statement submitted by Mr. Donovan can be found beginning on page 170A.)

ASSEMBLYMAN STEWART: A statement was made earlier and I asked a question earlier about the advent of the non-returnable bottle establishing a new line in the glass industry and, therefore, creating new jobs. Could you elaborate at all on that particular point? Is this indeed a fact that if we did away with the non-returnable bottle, we would then be causing hardships to your particular industry or would the hardships be as grave as some have pointed out?

MR. DONOVAN: The hardships would be tremendous. For example, our Oregon plant has not made a single returnable or non-returnable bottle for the State of Oregon for the last year that the bill has been in effect. We filled the pipeline in one year and that was it.

Going back to the history of the returnable bottle, of course, up until the mid '40's, the entire beverage and soft drink industry used returnables only. Then consumer convenience and the consumer attitude desiring convenience took over and opened up a whole new field for both of our industries. That, of course, was the non-returnable container. Really all we did in both the glass and can industry was to fit our package into a distribution system that had evolved over this period of time. It is a very efficient system. It is unlike anything we have had in the world prior to this time.

We are involved now in a country of 200 million people where 4 percent of our population grows the food and supplies the food requirements not only for this country but for a large part of the world in addition, and it is the advent of the non-returnable container that has made this possible.

ASSEMBLYMAN STEWART: Does anyone else have any further questions? (No response.) Thank you very much.

MR. DONOVAN: Thank you, sir.

ASSEMBLYMAN STEWART: The League of Women Voters will be next.

After the League of Women Voters, we will hear Mr. Garrity of the Beer Distributors Association.

J O Y C E D. S C H M I D T: I want to thank you very much for inviting us here today.

I am Mrs. Joyce D. Schmidt, member of State Environmental Quality committee in charge of environmental legislation for the New Jersey League of Women Voters. I am speaking for Mrs. Doris Leitner, our Solid Waste chairman. In 1971 the National League began a two year study concerned with the enormous problem of solid waste throughout the country. In 1973, over 1,037 local leagues agreed through the consensus taking process that conservation of our resources ranks first in importance, that the major responsibility for solid waste management should remain with state and local levels; that the role of federal government should be to establish criteria, policies and programs to encourage recycling and reduce generation of solid wastes, with private business playing a major role in systems to recover reusable resources. Solid waste is a problem of national scope, and therefore, it must be a concern of every level of government.

We applaud the sponsors of the five bills, their interest and attempt to solve the many problems resulting from the proliferation of a wasteful "Throwaway" society. Regulations that encourage or mandate use of returnable containers will reduce the use of both materials and energy, thereby conserving natural resources; diminish the volume of solid waste requiring disposal, thereby conserving real property to be used as landfills; and cut down on litter in our cities, towns and countryside which creates unsanitary conditions.

The solid waste problems of New Jersey are indeed complex, running the gamut from household wastes, sewerage wastes, agricultural wastes and toxic manufacturing wastes, all of which pollutes our land, air and water. While environmentalists agree that the solid waste problem will not be solved by returnables, reducing the volume of waste requiring disposal is seen as an important <u>first step</u> in alleviating the problem.

Here Are Three Facts on Consumption:

* In 1969, 46 Billion beverage containers were used, and in 1972, 60 Billion were used, indicating that container consumption grew faster than beverage consumption, a direct result of increased number of one-way containers and a decline in use of refillable bottles. Research Triangle Institute.

* Municipal solid waste alone amounts to 132 million tons per year; 8.2 million tons consists of beer and soft drink containers - beverage containers being the fastest growing portion of municipal wastes (8% yearly) according to the E.P.A.

* In 1969 manufacturing of Beverage containers consumed 6 million tons of glass, 2 million tons of steel, 300,000 tons of aluminum (increasing to 575,000 tons of aluminum in 1972) — or 45% of all glass produced, 2% of all steel produced, 6% of all aluminum produced. R.T.I.

Another most compelling and timely reason for returnables is the additional benefit achieved by the saving of energy used in manufacturing various kinds of beverage containers.

* E.P.A. studies show that a returnable glass bottle filled fifteen times will use 50-85% less energy than any other kind of beverage container of equal size (this includes energy consumed in manufacturing as well as packaging, transporting, distributing and returning the empty for reuse).

* Dr. Priscilla Laws, Professor of Physics at Dickenson College says that energy saved by implementing a returnable bottle system would provide enough residential electrical power for a city of 2.5 million people.

* John Quarles, E.P.A. Deputy Administrator states that: "based on the achievement of a 90% refillable market, each bottle making 10 trips, we estimate a reduction of energy required to produce beverage containers of approximately 194 Trillion B.T.U's of energy... equivalent to 92 thousand barrels of oil per day." **

* Since this bill was enacted, Oregon has conserved 1.32 Trillion B.T.U.'s in one year, enough to supply the home heating needs of 2% of the state's population. They also reduced litter by 81%.

Concerning the labor market issue which always is raised, when "bottle" bills are discussed, contrary to what is commonly believed, studies have shown that employees are added to payrolls in substantial numbers. Readjustment in employment will occur, but it should be noted that substantial unemployment appeared in the beverage container industry during the late 1950's and early 1960's as a result of the shift from returnables to throwaways. The small business man might benefit here.

Brief discussion on the bills:

A. 607 concerns itself with a litter tax or levy.
Such a tax would not affect the trend toward non-refillables. This permits manufacturers to use non-returnables so long as they pay the cost of litter pickup and would actually give a "license to litter". This method could increase litter and energy consumption would continue. The bill only encourages returnables.

A. 1191 although similar to A 607, calls for a ban on non-returnables. Containers would be returnable, but would also have to be refillable thus eliminating cans. Both provide for redemption centers. This would reduce the volume of waste and energy consumption.

A. 1136 goes one step farther than A 1191 by providing for certification on reuse of container by more than one manufacturer. It does ban non returnables and flip-top cans but does not make provision for redemption centers.

A. 1452 and A 1528 speak to a larger problem of resource recovery, separating of wastes at the source and encouraging recycling programs financially on the municipal level. They would have positive points to consider in conjunction with the first three bills.
In order to realize these benefits, the law concerning a ban on non-returnable containers must be comprehensive and enforceable.

** Statement before the Subcommittee on the Environment, Committee on Commerce U.S. Senate May 7, 1974

The League considers a prohibition of non-returnables an important means of reducing the volume of wastes and energy consumption.

By removing recyclable materials from garbage (bottles, cans and paper) we conserve natural resources,
By combining the remaining household wastes with sewage sludge, we solve our ocean dumping problem,
By adding agricultural waste to the above which the farmers want to be rid of and
By processing all of this organic waste through pyrolysis - a slow burning in the absence of oxygen - which will yield methane or natural gas in large volumes, and also a useful oil, we would accomplish a "Closed cycle" system - and we would solve our many solid waste problems.
We would save energy consumption with the returnable bottles; we would recycle cans in the interim; we would cut down on solid waste accumulation and landfills; we would solve the problem of ocean dumping of sewage sludge; we would produce large volumes of natural gas within our borders.
Then solid waste becomes a valuable resource - a useful store of last year's solar energy and not that stored eons ago as coal, petroleum and natural gas.

The League would encourage that the positive points of all bills be combined and applied to the total problem of solid waste and resources recovery. Refuse, recycle, reclamation, and resource recovery are the key to a cleaner, healthier society .

Thank you for your kind attention.

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"A Clean New Gas" Bohn, Hinrich Environment, Vol. 13, No. 10. Dec. 1974 pp. 4-9

"Fuel from City Trash", Wilcox, Dennis Environment Vol. 15, No. 7, September 1973, pp. 36-42

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ASSEMBLYMAN STEWART: Mrs. Schmidt, you state on page 2 that studies have shown that employees are added to payrolls in substantial numbers by this particular type of legislation. And we have had people testify here who say their studies show just the opposite. Do you have any suggestion as to how our Committee should reconcile these two supposed authentic studies?

MR. SCHMIDT: I had such a short time to prepare the statement and get it run off, but I do have research material which I referred to at the end and there is more coming. I can quote from a statement here by John Quarles, May 7, 1974. That is really a very important statement and I believe it should be researched. "We have been advised by the Bureau of Labor Statistics that for each job lost a minimum of 70 job opportunities have become available in the same occupational category. For certain job categories, several thousand job opportunities would be made available for every dislocated employee." When you read statements like that, you have to face up to the fact that a research job on the statistics should be done.

ASSEMBLYMAN STEWART: I guess what I am getting at is that possibly we should have something in New Jersey where we require an economic impact statement on some of these things. It might not be a bad idea to have some opinion from the Department of Labor and Industry in New Jersey on this particular issue, as to what they feel it is going to do in New Jersey, not Oregon or Vermont.

MRS. SCHMIDT: I think it would be very valuable. And have research over a longer period of time. Go back to your '50's and '60's and see what happened.

ASSEMBLYMAN STEWART: So you agree that might not be a bad idea.

MRS. SCHMIDT: It might not be a bad idea, correct.

ASSEMBLYMAN STEWART: Any other questions?

ASSEMBLYMAN RYS: On page 3 you mention the combining of the household wastes with sludge. Do you have any research material on that?

MRS. SCHMIDT: I have that here.

ASSEMBLYMAN RYS: I am very much interested in that because I think there is a lot of contradiction there.

MRS. SCHMIDT: No, there is no contradiction.

ASSEMBLYMAN RYS: I will take it up with you when I read it.

MRS. SCHMIDT: I have it here. Would you like me to give you copies?

ASSEMBLYMAN RYS: Yes.

MRS. SCHMIDT: Okay.

ASSEMBLYMAN STEWART: Any other questions?

ASSEMBLYMAN KOZLOSKI: I was also going to mention about the contradictions and ask what the source is. We have heard a number of figures on the reduction of litter. You say 81 percent. We had other figures of 10.6 percent, and then we heard 90 percent. I was just wondering how many college professors have been working on their doctorate theses just to get their degree rather than coming up with information that is valuable to government.

MRS. SCHMIDT: I think it would be important there to look at the studies. I also have the study here by Don Waggoner. I don't have his current study in 1972, but I did read in the newspaper the 81 percent fact. You have to take into consideration what is being picked up and the method by which it is being picked up, whether you are including plastics, newspapers, bottles, cans, cans that are non-returnable or returnable. You have to

read the method through which the study was conducted.

ASSEMBLYMAN KOZLOSKI: I have one other short question. You say here that you basically agree with all five of these bills, right?

MRS. SCHMIDT: Well, I think I criticize each of them. They are all part of a whole, and I think that is the point of our testimony. We have to take this into consideration with the whole problem. I think there probably is a criticism on each one. They should be blended.

ASSEMBLYMAN KOZLOSKI: If you were a member of our Committee and you had to have your druthers whether to ban the bottle or put more emphasis on recycling, with which area do you think we should begin? Recycling?

MRS. SCHMIDT: It is a first step. I believe it is going to be a step that is going to have to be phased. I think you are going to have to do a phasing of it into the system in reality.

ASSEMBLYMAN BAER: If you became satisfied from reviewing further material that banning bottles did indeed have a major impact in terms of reducing jobs in this State perhaps because of concentration of certain types of industry or whatever, would you still favor that as an approach as opposed to putting the main emphasis towards recycling as a means of solution?

MRS. SCHMIDT: Explain that a little more clearly to me.

ASSEMBLYMAN BAER: I understand, at this point anyway, on the basis of your testimony you believe that the banning of nonreturnable bottles would not have a net negative effect on employment in the State, from what you have said.

MRS. SCHMIDT: -- from what I can see and how it was phased into the system.

ASSEMBLYMAN BAER: I understand that is your testimony, based on a report, not based on your own independent research. And I would certainly, by the way, welcome more information from that report because it puzzles me that you could have ratios as extreme as that which you have quoted from the report. But what I am asking is, since you weren't present here earlier this morning when a great amount of detailed testimony was presented about the negative impact of this on various industries in the State, if you became convinced as a result of having a chance to see this sort of testimony, that in fact employment in New Jersey would suffer from this approach -- would you support then shifting entirely to the recycling approach as a means of trying to solve this?

MRS. SCHMIDT: I guess I would have to give sort of a general answer to that. I would certainly have to see how the effect would be, yes, and I think we all would. I think it is only humane to think in those terms. I do believe that both sides of the subject should be studied.

Our main problem, of course, as pointed out in the solid waste report by the Musto Commission is that we don't have any more land. We are going to be out of land for land fills. We have to look at it from that point of view too.

I stated in here that our solid waste can be a very valuable resource, especially in producing energy. But you have to take your scrap metals and you have to take your glasses out first. There are various procedures and methods and technologies to do this. There is the magnetic separation and, of course, the manual thing, doing it at the source in the home. We have to look at the over-all problem, the solid waste problem, and

this is what we were speaking to. It can be - and certainly in many communities recycling has functioned and it has helped and people have received financial benefits in return for their recycling. Clubs and organizations and groups are doing this. And many of our League members are working in those capacities.

What we are really asking you to do is look at the whole problem. When we are talking about jobs, I might say I believe there is going to be a job readjustment. But I am also looking at statistics that say that we will be giving more people jobs. Now let's look into those statistics too.

Have I answered you, Mr. Baer?

ASSEMBLYMAN BAER: Yes, I think you have answered me. I take it, although you weren't here for most of the previous testimony, that you would also, as the other persons who have testified on behalf of industry or environmental groups or whatever, be willing to work with a group that was trying to sharpen up approaches in terms of solving this.

MRS. SCHMIDT: Yes.

ASSEMBLYMAN BAER: Do I also take it that when you talk about readjustment and a consideration that there might need to be some employment readjustment, you would feel that we would have to be particularly careful and not to precipitate something like that during a period of peak unemployment.

MRS. SCHMIDT: I would be extremely careful about that; yes, I would. I would also say what I said to Don the other day about his economic impact bill in another committee, that it might be a wise idea to look into the procedure that the EPA has with the Department of Labor and Industry at the Federal level about an early warning

system when problems like this come up. I don't know. I haven't looked into it. I am aware of it. I haven't had time to look into it. But there does exist an early warning system when displacements occur.

ASSEMBLYPERSON CROCE: Mrs. Schmidt, as far as the glass industry is concerned, if we do away with bottles altogether ---

MRS. SCHMIDT: Bottles?

ASSEMBLYPERSON CROCE: Yes.

MRS. SCHMIDT: We wouldn't be doing away with bottles.

ASSEMBLYPERSON CROCE: I mean nonreturnables --- you say there may be other jobs available for these people.

MRS. SCHMIDT: Yes.

ASSEMBLYPERSON CROCE: In what field would these men who now work for the glass industry find jobs?

MRS. SCHMIDT: I don't think that that is where we are going.

ASSEMBLYPERSON CROCE: There were a lot of jobs lost in Oregon.

MRS. SCHMIDT: But 142 over those loses were supplied. That is another statistic.

I would like to show you something on this. I don't want to go through my pile of material right now and take up your time to look for it. But what happened was that the small distributor and the filler --- you know when we had returnable bottles, we had more localized distribution systems. These people were removed from jobs. They went out of business when larger automated industries in the one-way throwaway became the current thing. When we talk about going back to returnables, we will be coming back with more jobs. There will be more jobs at the redemption center level; there will be more jobs at the retail-marketing level; there will be more jobs on line for those industries that are filling cans if they go back to bottles. Those people were removed

previously when the one-way went through. The one-way has produced the solid waste garbage problem, the increased amount of landfill that we have been using, and we don't have it anymore - it's going. According to the Musto Commission solid waste report, some counties have only five acres left to fill and then they have to start looking for more land. And no one wants a garbage dump in their vicinity. This is again where you get into that other problem of landfilling.

ASSEMBLYPERSON CROCE: Thank you.

MRS. SCHMIDT: I would like to say that I have a large packet of material here that I would like to present to the Committee.

ASSEMBLYMAN STEWART: Assemblyman Baer has asked if you could submit for the record one of the references you had in the back of your report, "The Fight Over Returnables."

MRS. SCHMIDT: I have all of them with me.

ASSEMBLYMAN STEWART: Fine. That one in particular he is interested in having.

We have one last speaker before we break for lunch and that will be Mr. Jack McCaffrey from the New Jersey Brewers Association.

J A C K M c C A F F R E Y: Mr. Chairman, my name is Jack McCaffrey. I am the Executive Secretary of the New Jersey Brewers Association and the Vice President of the United States Brewers Association.

My industry supports the principles set forth in Assembly Bills 1452 and 1528. We firmly oppose Assembly Bills 607, 1191 and 1361, and we will forward to you subsequent to this meeting a statement detailing our opposition. We will also submit constructive suggestions to augment the principles set forth in Assembly Bills 1452 and 1528.

In the interest of time, I wish to take about three or four minutes to outline the highlights of our opposition to 607, 1191 and 1361. Passage of discriminatory litter levies or bills banning certain types of containers would have a serious effect on our sales in the State of New Jersey. Any drop in our sales or shift in our package mix would result in loss of employment to the members of the United States Brewers Association, and subsequently less excise and sales tax revenues to the State.

If the Rheingold Brewery at Orange, for example, is faced with a statutory impediment to the sale of cans and non-returnable bottles, they will be forced to shut down the entire plant. The job loss would run into the hundreds.

My second point has to do with the consumer. Deposit bills and bills banning non-returnable containers would react to the distinct disadvantage of the consuming public; not only would the consumer be denied a freedom of choice, because we supply both returnables and non-returnables in the New Jersey market, but the consumer would pay through price increases for the increased cost caused by this drastic shift in the distribution process.

Finally, gentlemen, we do not believe that bans, taxes or deposits on beverage containers would solve the problems of litter or solid waste in our State. You mentioned at the outset of the meeting that you would appreciate input of alternative methods or approaches to alleviate the litter and solid waste problem, without aggravating the unemployment situation in our State.

I also recommend the formation of such a committee, comprised of labor, industry, government and public representatives to work with your committee toward an equitable and positive solution.

One point, gentlemen, about the Oregon situation - the

State of Oregon has an annual beer production of 765,000 barrels as compared to 8 million barrels in our State. If the situation at Oregon is aggravating to both labor and the consumer, you can understand that the impact on New Jersey would be more than trebled.

I would like to point out to Mrs. Schmidt that I think she is confused about her study. I want to make this brief comment. About a month ago the Applied Decision System (ADS) study of the impact of the first year of the Oregon law, which was financed, gentlemen, by the state through its Highway Division, showed that the total litter had declined by only 10.6 percent. We will give you a copy of that ADS statement. I do not know where Mrs. Schmidt got her statistics, but this is from the state study which was released a month ago.

At the 1971 hearing, referring to one other point Mrs. Schmidt made ---

ASSEMBLYMAN STEWART: To clarify the record, you are speaking about Mrs. Schmidt of the League of Women Voters.

MR. MC CAFFREY: Yes. I believe she has her statistics slightly confused because the ADS study, for which the State of Oregon paid, shows that total litter has declined by only 10.6 percent in the first year of operation of the Oregon law.

As far as the brewing industry having more jobs or less jobs, gentlemen, as a result of a switch from returnables to non-returnables, I refer you to our testimony in 1971, pages 109 on. There we clearly show you the impact. If you want me to take the time now I will be glad to go over it with you. It shows the impact on the brewing industry.

ASSEMBLYMAN STEWART: Can you get us a copy of that?

MR. MC CAFFREY: It will be included in our statement, Mr. Chairman.

ASSEMBLYMAN STEWART: Thank you very much. We would appreciate that.

Are there any questions? We have a hungry committee who has no questions right now.

Mr. Baer would like to make a statement about the procedure for this afternoon.

ASSEMBLYMAN BAER: We are still concerned with the problem of everybody having a chance to testify. I think there probably are a great many people here who are still waiting to testify.

Before I make a comment, can I get a rough idea by a show of hands those people who are waiting to testify?

What I would like to suggest is this: During the lunch period, I would like for you to think, in terms of the emphasis that the Committee has been seeking with regard to oral comments, how brief your statements can be to cover some of the positive areas that we want to pursue. If you would give the staff directors, either Mr. Catania or Mr. Capalbo, before we begin after lunch an idea of the period to which you are willing to be limited -- some people may think they can confine themselves to five minutes, three minutes, whatever -- then we will try to hear people in the sequence of the amount of time that they are going to take. In other words, those who expect to take the shortest amount of time, we will take first; and those who expect to take the longest amount of time, we will take last. This perhaps will provide some incentive to be brief. But you can rest assured that all of your written comments that are delivered here or subsequently within the next two weeks will be included in the record.

The hearing is recessed for 45 minutes.

(Recess for Lunch)

AFTERNOON SESSION

ASSEMBLYMAN BAER: The hearing will come to order. The first witness for the afternoon will be Assemblyman Hurley.

A S S E M B L Y M A N J A M E S R. H U R L E Y: Thank you, Mr. Chairman. My name is James Hurley, Assemblyman, District I, representing the counties of Cumberland and Cape May.

I think it would be unfair to say that I am opposed to all the bills being considered today. I have no strenuous objections to Assemblywoman Wilson's bill or to Assemblyman Klein's bill. I have a monetary problem with Mrs. Wilson's bill because of the price tag, but aside from that I think the concept is one of the alternatives to the problem that you are wrestling with.

However, I do want to state at the outset that I am unalterably opposed to A-607 and A-1191 and A-1361.

Three years ago I came here to testify against a bill - I think it was 2112 - which also was a prohibition bill, prohibiting the manufacturing and sale of non-returnable containers.

I note, by virtue of your hearing today that we are on the horns of the same dilemma - the dilemma is, how do we reconcile the solid waste disposal problem with the economics of the matter, meaning the jobs and the economic output of factories in the State of New Jersey because we are a major State in the manufacturing of containers.

I know that you are pressed for time and I am not going to repeat a lot of things that have been said but I must, because of the area I represent, repeat a couple

of them. One is, you must know by now that this industry has been hard-hit by unemployment. In the County of Cumberland, where I reside, there are some 10,000 people employed in the glass manufacturing business. Just yesterday I heard of an additional layoff there of some 90 people in the County; in fact I am here in Trenton today on two missions - one to testify here and secondly, to urge the Unemployment Division to establish at least a temporary office in the City of Millville, to try to accommodate the layoffs of the people who have been laid-off in the glass industry in that town.

The entire economy of the County of Cumberland is geared to the glass manufacturing business. Each of the three major cities of Vineland, with 50,000 people; Bridgeton, with about 22,000; and Millville, with 22,000 are entirely related to how well the glass manufacturing business is doing. Almost all of it is in the container business. Some business by Owens, Illinois - the Kimbal Products plant in Vineland - is related to some other industries. But in the other two major towns, the business is almost entirely related to the container business.

So, we do have - and you have been told this and I will simply reiterate it - a real economic problem to deal with, one of loss of jobs and, subsequently, loss of tax revenue not only to the State but to the municipalities and to the counties where we all live. So, I urge this committee to reject these bills prohibiting the sale of non-returnable containers and the bills enacting tax on these beverage containers. And I urge, really, the Legislature and the Administration and the majority party of this Legislature to adopt a position rejecting these measures and also adopt a position of

being positively in favor of alternatives. I understand you are looking for these alternatives today.

Secondly, let me say I think that it was pointed out in years past, and it was pointed out today, that much of this legislation you are dealing with is discriminatory against the container business and particularly glass. You know the mechanics of the glass business. Almost 100% of a glass non-returnable container can be used in the recycling process. There isn't any glass made that does not have some old glass in it.

So, the solid waste problem does not center on this non-returnable container, in my opinion. It may be a part of it but it certainly does not center on it and it is not the major problem.

I don't know what has been said here today about the newspaper recycling, I'd simply like to say that the problem generated by the entire newsprint, newspaper business, overshadows all that we know about the container business and the throw-away bottles.

My testimony today is being given on behalf of not only myself but also Senator James Cafiero and Assemblyman Joseph Chinnici of this District and written statements will be presented to you for your further consideration.

Mr. Chairman, I might say that when your committee, in the future, decides to take further action on these bills, I would like to be given the opportunity to appear before the committee at your public sessions and comment on them in much greater detail.

But suffice it to say for today that I would like to offer you some direction in which to go. I think that the State Government - I cannot tell the Federal Government what it is going to do - and the Federal Government and, perhaps, the counties and municipalities have to become partners with people in

the industry in helping to solve this problem.

For example, specifically, I think we have to promote the recycling industry and I would say that much of the impetus that is needed to promote this industry would have to come from the glass manufacturing industry itself. But it is not going to come entirely from there because we are all part of the problem. We all use the containers. We are all consumers. We all live in the municipalities where these containers are manufactured, thereby we benefit materially, economically, and it is all a big ball of wax and it is not separated and divided, as some people would lead you to believe. But there can be a promotion of the recycling industry and I think that some help should come from the State.

It is my understanding that in the States of Connecticut and Florida and Wisconsin there are Solid Waste Authorities that have been able to assist the recycling business. I think it can be a profitable business. I am certainly no expert in it but I believe it is going to have to get its direction from the government. I don't think it will be obtained entirely from private industry.

With that thought in mind, I would like to ask your consideration of my position and urge you to reject entirely Bills 607, 1191 and 1361, and certainly add my favorable comments on 1452 and 1528. Thank you very much for giving me the opportunity to testify here today.

ASSEMBLYMAN BAER: Thank you for your very valuable testimony.

What were the States, in addition to Connecticut that have Solid Waste Authorities?

ASSEMBLYMAN HURLEY: Florida and Wisconsin. That is my understanding.

SENATOR BAER: Maybe the committee could get

copies of that legislation.

Are there any other questions?

ASSEMBLYMAN KOZLOSKI: I'd just like to make one comment, Assemblyman. When Mrs. Wilson was here she said that she realizes that her $3.6 million dollars, I believe that was the figure-- She mentioned how she came about that, etc., and she is recommending that it be a figure, roughly, of $500,000. I believe she multiplied 50¢ times the number of people in New Jersey, or something like that.

So, for your own clarification, she already mentioned that. She recommended that the committee reduce that figure.

ASSEMBLYMAN HURLEY: I'm sorry I was not here but I was told that in the hall and I appreciate your telling me that. I hope I've made-- I know that you did not want people to be repetitive about the economic impact of these bills, but I hope I've made my point: In the county in which I reside the glass industry is "it". It is almost the entire economic well-being of that county. It is tied to the glass industry.

The reason for this, historically, has been the preponderance of the high-grade silica deposits there - the sand that is used in the manufacturing of glass. Right now, through the last 150 or 200 years, the greatest craftsmen in the manufacture of glass have evolved. So, the technology, the know-how, the personnel are there to manufacture glass.

ASSEMBLYMAN RYS: Have you been speaking to Tom Kean lately?

ASSEMBLYMAN HURLEY: I might say that on many issues I agree with "brother" Thomas Kean but on this issue we are about as far apart as the miles that separate us in the State of New Jersey.

ASSEMBLYMAN BAER: Are there any other questions?

(no questions)

Thank you very much, again, Assemblyman Hurley.

Our next witness will be Mr. Gessler of the Sierra Club. Is Mr. Gessler present?

A. M. G E S S L E R: I am A. M. Gessler. I am a resident of Cranford, New Jersey. I am speaking on behalf of the North Jersey Group of the Sierra Club, which has a membership of 1,900.

Now, in the remarks which I will make my attention will be focused on household waste, rather on municipal waste, generally, which includes commercial and sometimes industrial waste. Attention, specifically, is focused on the ton of rubbish discarded at home by each American a year - and that is a 1972 figure; rubbish which, despite its resource value, is, for the most part, being discarded or dumped on our land or in our waters.

In the U.S.A., in a year, the 6 billion aluminium cans discarded - if the aluminium were reclaimed - would build more than 1,500 Boeing 747 Jets. The 65 billion steel cans discarded, if they were recovered, would build almost 3 million automobiles. The 35 billion glass bottles, if they were refilled 15 times, instead of being thrown away and manufactured again, would save 48 trillion BTU's of energy. And the 18 million tons of newspaper, which if recycled and/or de-inked, would save the equivalent in pulp wood of 66 million acres of forest.

New Jersey's share of this is 4% - enough aluminium, if you will, for 67 747 Jets; enough steel for 120 thousand automobiles; two trillion BTU's of energy for the State; and from the newspaper weight, the equivalent of 2½ million acres of pulp wood forest. This is what we are talking about. It is a big problem with a big potential.

I am not here considering the organic waste, which I assume will also be recycled by composting to produce soil improver, or by combustion and/or pyrolysis to produce energy, or energy sources.

The North Jersey Group of the Sierra Club is pleased with the legislation being considered here today because both the needs and value of recycling are clearly recognized in each of the proposed bills. The need is already noted, arising from the resource depletion situation which has been developing in the world today, and the value from the knowledge - and these are U.S. EPA studies - that resource recovery results in less atmospheric emissions, auto borne waste, mining and solid waste and energy consumption and virgin material extraction.

Of the bills, preference is given to A-1361 and its proposal to reinstitute the return bottle.

ASSEMBLYMAN BAER: Excuse me, sir. Perhaps you were not here when we were discussing some of the procedure, earlier, but because of the time problem we have it will not be possible to read in its entirety the statement you have.

MR. GESSLER: I have not been doing that. I have been skipping around. I am giving you what I consider to be essential to the opinion of my testimony.

ASSEMBLYMAN BAER: Proceed, please.

MR. GESSLER: Of the bills, preference is given to A-1361. The bill proposes to reinstitute the return bottle and to outlaw the pull-top can.

The Club believes - the North Jersey Group believes - that the best way to recycle a bottle is to refill it and the group has been impressed with the record of energy saved in the State of Oregon; of land saved through reduction and refill; and of resources

saved through the mining of materials to produce glass.

It has also been impressed by - and I realize from the testimony given previously that this is a moot point - the statement that litter on Oregon highways has been decreased 75% to 80%.

Mrs. Smith referred to the job situation - Mr. Waggoner's second report, and he is the head of the Oregon Environmental Commission - and stated that employment in Oregon has increased slightly by 2% or 3%. There were, in the days of the return bottle, 8,000 distributors - beverage distributors. Today there are less than 3,000. It is the reestablishment of these local distributors which has produced the new jobs.

Oregon reports, similarly, that there has been no reduction in the sale of beverages.

The North Jersey Group therefore urges this committee to seriously consider 1361, which is being considered by other states and being proposed on the national level as well.

Now, in addition, the prohibition of the flip-top can is a measure which deserves special comment. Flip-top technology requires the use of aluminum as the top closure, at least, in the resulting container. This presents no special problem in the case of the all-aluminum container, but when it is used to cap tin-lined steel cans, the presence of aluminum seriously complicates the chemistry of the program which is employed to separate iron fron tin and, as a result, significantly increases the cost of resource recovery.

If I boil this section down, what I am recommending, then, is, regardless of what happens to the return bottle situation, let us consider separately the matter of banning the flip-top can.

Bill-1451, in recognizing the crisis proportions of solid waste problems in New Jersey, proposes to provide

state aid to municipalities who enact ordinances requiring the separation of recyclable solid waste.

The North Jersey Group of the Sierra Club endorses this bill solidly. This bill in combination with Bill-1528, not only mandates separation but suggests, by inference if no other way, the matter of source separation. The Sierra Club takes a strong position that since these cans and these bottles and this produce enters the home in separated form, it might just as well leave it in like manner, so it is suggesting that attention be given - in considering these two very, very good bills - to more emphasis on source separation, rather than on building plants down-stream to separate unsorted garbage and to use energy needlessly.

I have gone through this rather hurriedly. I'd like to say, simply, that the Sierra Club is presenting its point of view here without malace and in the spirit that we would be very willing to discuss these points with any and all industries and government alike, to help reach decisions.

The Group appreciates the opportunity to speak here and thanks the Assembly Committee.

ASSEMBLYMAN BAER: Thank you for your testimony. Are there any questions?

ASSEMBLYMAN RYS: Do you know Mr. Gessler that in 1432 the value of the money has been dropped to $500,000?

MR. GESSLER: I beg your pardon?

ASSEMBLYMAN RYS: It has been dropped to $500,000 and also the bill is not mandatory?

MR. GESSLER: Yes. That would not change our position because one of the factors which led the Club to stress the value of separation was that the municipal aid afforded was certainly not the kind of

municipal aid which one would need if he were going to put-- You know, the capital expenditure to build a plant.

We would look at it rather as the encouragement to form independent recycling groups, either on a municipal level or on a private level within a municipality.

ASSEMBLYMAN BAER: Mr. Stewart?

ASSEMBLYMAN STEWART: Your proposal is to just ban, outright - I assume, anyway - the flip-top type cans, is that an accurate statement?

MR. GESSLER: No. I would say this, that if the flip-top can did not exist the whole problem of recycling metal would be greatly simplified.

I have, for example, chaired the Cranford Recycling Program which is now in its 4th year and doing a very fine job. So, this is the kind of thing to which 1432 is pointing. We are recycling tin. We are recycling aluminum, paper and glass. The problem which comes before us all the time is, what does one do with the bi-metal can because the technology to separate it, to recycle it, is not yet developed on a sufficiently facile economic basis.

ASSEMBLYMAN STEWART: Okay. That answers my question. I just thought you were saying we should ban them just because people throw them away.

MR. GESSLER: Yes. We would recommend strongly that the flip-top can - the combination of aluminum, tin and steel in a single can be banned and we recommend that consideration be given to that regardless of what happens to the return bottle.

ASSEMBLYMAN STEWART: Mr. Gessler, I assume you are a metallurgist?

MR. GESSLER: No I am not; I am a chemist but not a metallurgist.

ASSEMBLYMAN BAER: Thank you very much for your testimony. I have no further questions.

I would like to ask, however, if any further witnesses have a prepared statement, would you please get them to the committee staff in advance so they can be reproduced? We would like to have them reproduced in advance and it can easily be done.

We will now lead off with a group of witnesses who have to agreed to confine themselves to three minutes, starting with Mr. Garrity.

We are then going to go through a group of witnesses who have agreed to confine themselves to 5 minutes and then we will get to the other witnesses.

If any person has not given us an indication, one way or the other, they can still can do so and they will appropriately be added to the agenda.

Mr. Garrity.

J O H N G A R R I T Y: I am Jack Garrity. I am with the Beer Distributors Association of New Jersey. I hold the position of Executive Director with them.

I appreciate the opportunity to be here to express our viewpoints and the viewpoints of our members.

We wish to register our opposition to legislation which would impose bans on types of containers or deposits on particular containers. We feel this type of legislation is discriminatory in the extreme because it penalizes industries which contribute only a small part to the total litter and solid waste problem.

Where enacted in other states, this type of legislation has proven - and I think the record will show - that it creates more problems than it corrects. It results in the accumulation of vermin-attracting containers, requiring extra storage space and transportation facilities and greatly increases the cost of these items to consumers.

On the positive side, our Association favors programs that consider the total litter picture from a recycling standpoint. We feel the correct and final solution can only be in this direction.

Therefore, we endorse the concept expressed in Assembly Bill #1452, which would provide funds to assist in setting-up local recycling programs.

That is the end of my statement. As a comment, I'd just like to say I have given you a copy of what I consider an excellent summary of the report that was given here earlier on the Oregon situation. This summary is entitled, "Oregon, One Year Later". I think, gentlemen, you will find this very, very useful in your consideration of this type of legislation. Thank you.

ASSEMBLYMAN BAER: Thank you, Mr. Garrity. Are there any questions?

ASSEMBLYMAN KOZLOSKI: Yes. From your standpoint, since you do handle a great number of items-- We are talking here about a "ban" bill, banning the bottles completely; we are talking about recycling bills. What would your opinion be, as a recommendation to this committee, as to maybe not doing anything with these?

It seems to me that everybody is coming in and saying they are for one or the other, but no one has said yet that they don't want all of them - just disregard all of them. Could you exist, under the present statutes, without any additional legislation?

MR. GARRITY: Yes, we can. But I think that we cannot ignore the fact that the solid waste problem is a real problem in this State and, therefore, we find that the beer distributors in the State of New Jersey will give you great assistance and cooperation in finding an equitable way of solving this problem.

ASSEMBLYMAN BAER: I commend you for the expression of responsibility and interest in working towards the

solution of this and I assume that extends also in terms of if a group is set up, as the other witnesses have indicated.

Thank you very much, Mr. Garrity.

MR. GARRITY: Thank you.

ASSEMBLYMAN BAER: Our next witness is Mr. Peter Vanola, New Jersey Licensed Beverage Association.

P E T E R V A N O L A: Mr. Chairman, distinguished members of the committee, My name is Pete Vanola, I am President of the New Jersey Licensed Beverage Association, which represents taverns, cocktail lounges, restaurants, bowling alleys, motels and hotels. To use the phrase of Harry S Truman, "the buck stops right here", because we are the ones that deal with the public directly. We are the ones that sell to the public. So, first of all, the big boys are here but we are the small people who are involved.

I wish to thank the committee for the opportunity of expressing our views on Assembly Bills 607, 1191 and 1361. We strongly oppose these Bills for the following reasons:

The requirement of a deposit on returnable containers would necessitate that the containers be returned to many places of business which are licensed for on-premise consumption of food and drink and, thereby, creat a hazardous health problem. The storage of containers on the same premises where food and drink is prepared and served is highly undesirable, as the containers are not clean and many times, being half full, they are breeding grounds for roaches, flies and rodents which, of course, is in direct violation of the State Board of Health code. As you know, New Jersey has very stringent Board of Health rules and regulations.

Furthermore, there are very few licensed premises within the State which have the room to store returned

containers.

If storage space, such as a warehouse, is even available in the crowded cities, rental costs of the additional space will only lead to higher prices for the consumer.

Moreover, the containers will pose a security problem and will have to be stored under lock and key, as the deposit will be sizable enough, in many cases, so as to invite theft. Let's face it, 10¢ a container is $2.40 a case.

Finally, the necessity of charging a deposit on each container will make our price structure higher than the price structure of the neighboring states, and will encourage out-of-state sales, which will result in a loss of revenue and taxes to New Jersey.

We do recognize the problems involved, but these Bills are not the solution to the problems. The solution lies in a complete reclamation and recycling of all solid wastes, and an educational program to instill civic pride in the minds of all the people of New Jersey - I don't think anyone else has touched on this point today.

ASSEMBLYMAN BAER: Thank you very much, Mr. Vanola. Are there any questions?

(no questions)

Thank you for your very helpful testimony.

Mr. Harold Jones of Surfside Beverage Corporation.

H A R O L D J O N E S: My name is Harold S. Jones. I am President of Surfside Beverage Corporation, Ocean Township, New Jersey. In addition, I am serving this year as President of the New Jersey Soft Drink Association.

I'd like to thank you in advance for the opportunity of addressing your committee.

This statement is based on my company's position

in regard to these bills. Mr. Lohrfinck will be presenting the position of the New Jersey Soft Drink Association, following my testimony.

My company is independently owned, and we are franchised bottlers for Pepsi Cola and Schweppes in Monmouth and Ocean Counties and for White Rock and other affiliated products for the State of New Jersey. We bottle and can all of our products at our plant in Ocean Township. We employ 145 to 185 people, based on the seasonal aspect of the business - it varies from time to time.

I do not intend to repeat statistics and figures that have been previously stated to show why our industry and our company feels that Assembly Bills 1361, 1191 and 607 are not the solution to New Jersey's solid waste problem. My intention is only to point out that the effects on our business and the economic impact on our employees and, ultimately, the consumer purchasing our products, would be disastrous.

Enactment of any of these Bills would mean that our can production line would have to be shut down and all personnel involved in that portion of the operation would have to be laid off. The capital investment in this equipment is far greater than any amount that could be realized on resale. The people involved in our vending operation, which is 70% can vending machines, would be proportionately reduced. The loss on capital investment in these machines would be a similar situation to the production equipment.

These factors plus the investment required to provide a returnable bottle float to service this market would make it virtually impossible for our company to survive. If we did survive the transition to a returnable system, the additional investments, the loss of sales

volume, and the reduced tonage on our delivery vehicles would mean a higher cost for our products to the consumer.

The impact on jobs and the economy, when multiplied by the other bottling plants and allied industries in the State, from whom we buy virtually all of our glass, our cans, our closures, our labels, and most of our paper products, which all come from plants that manufacture these products in the State of New Jersey, would just tend to magnify this problem if you look at it as a total picture. This certainly is not a good alternative to a total systems approach and the general philosophy of Bill #1452 as a solution to our problem. Thank you very much.

ASSEMBLYMAN BAER: Thank you very much, Mr. Jones. Are there any questions from the Committee? (no questions)

I would like to ask you, Mr. Jones - as I have asked of most of the others - would you be willing to work, if necessary, with a group of industry people and government and environmental people in trying to develop a sound approach to this problem?

MR. JONES: Yes, I would certainly be most willing to, as I think everyone in the soft drink industry in New Jersey would be - to cooperate in any way we can.

ASSEMBLYMAN BAER: Thank you very much.

The next witness will be the representative from Continental Can Company, Mr. John Pesco.

J O H N P E S C O: Mr. Chairman, members of the committee--

ASSEMBLYMAN BAER: Have you a statement to be distributed?

MR. PESCO: No. I will be submitting a more complete document later, but I will just hit some highlights of some of the problems today.

ASSEMBLYMAN BAER: Very good.

MR. PESCO: My name, of course, is John Pesco,

Manager of Training for Continental Can Company's Metal Operations, Eastern Area. I am here today to specifically acquaint you with the impact that any banning or deposit legislation on the beverage container would have on Continental's Metal Plants involved in beverage container manufacturing here in New Jersey.

We have four plants, two in Paterson, New Jersey and one in Pensauken, New Jersey and a fourth one in Wayne, New Jersey that would be impacted. Some 1,300 jobs would be jeopardized by such legislation of a negative nature. An amount of $17 million in payroll would be taken away from the various communities and the employees where these plants are located.

In addition to the payroll, which has a tremendous economic impact on these communities, we do pay some $700 thousand in real estate into the community coffers and we pay to the State of New Jersey $200 thousand in SUI taxes.

These are direct impacts on the plants that we are concerned about and the employees we are concerned about. But there are some indirect impacts I'd like to just briefly mention. We have two independent trucking firms whose sole business is hauling cans for us. In like manner, their business and their employees would be adversely affected by any negative legislation against the beverage container.

We also buy thousands of dollars worth of materials in the State of New Jersey from the various suppliers. These sales would be lost, as would the sales tax revenue be lost to the State of New Jersey.

In summary, the three bills - 607, 1191 and 1361 - you are considering,which contain various forms of restrictive legislation, would be devastating to the beverage container manufacturing business in the State of New Jersey and the employees who rely on this business

for their livelihood. Thank you.

ASSEMBLYMAN BAER: Thank you, Mr. Pesco. Are there any questions? (no questions)

I did want to ask you a couple of question myself. There are two questions relating to the manufacture of beverage cans. I have heard two problems raised in relation to the design of cans, one was with relation to the throw-away tab - the self-opener. There has been a lot of interest as to whether there is any solution to this in terms of a can that does not have a piece that comes off in the same way and is discarded all over the landscape. The other has to do with the design, as was mentioned earlier, where there is a combination of metals and, presumably, unusual difficulty in making the separation of the types of metal.

Is there anything in the works - anything you can tell us specifically - that is likely to bring a solution to these problems in the design area, that we should anticipate?

MR. PESCO: In relation to the first question, the so-called ring pull tab - the one you pull off--

ASSEMBLYMAN BAER: Yes.

MR. PESCO: You see them in various places. We don't like to see them. Our technical facilities - research and development facilities in Chicago - have been working on this problem for quite a while now trying to come up with a method whereby you can still have the convenience opening device that will be permanently attached to the container without adversely affecting, from a safety standpoint, the emptying of the content of the can, be it beer or beverage. I am not a technician nor a marketing expert so I can't tell you when it is going to be commercially productive - to put out on the market - but there has been a great

deal of work done in this area.

The other question I am going to have to beg off on also. I know what they are talking about when they say a three piece can with an aluminum top with a ring pull device, again, versus a two piece can which is a total body and top with a convenience opening device. Your magnetic separation - certainly this does pose a problem, where you have a combination of metals but I am not a metallurgist so I can't address myself to that question from a technical standpoint. Nor am I a solid waste disposal expert.

I know this has been looked into, along with many other cooperative efforts at Continental and many of the other can industry manufacturers, who have been working on this with various governments, be they state or county, throughout the country, trying to come up with magnetic separation and other solutions to this solid waste recycling problem.

ASSEMBLYMAN BAER: I see. And Continental Can would be willing to cooperate - as would other companies and organizations have indicated they would, who testified here today - insofar as a cooperative effort is concerned to get recycling operational in this State?

MR. PESCO: Certainly. There has been a lot of work done in cooperation with - as I indicated - various government agencies, previously. (see page 87A)

ASSEMBLYMAN BAER: Thank you very much for your testimony.

Our next witness will be Mr. Pipkin of Reynolds Metal Company.

J O Y C E P I P K I N: My name is Joyce Pipkin. I am Manager of the McCulley Can Plant operated by the Reynolds Metal Company. I'd like to send a brief in afterward, if you don't mind.

I am appearing in opposition to the restrictive

container legislation that you have under consideration - A-607, A-1191, and A-1361.

Reynolds, whether you know it or not, pioneered the development of the recyclable all-aluminum beverage can and initiated what has developed into the nation's most successful recycling program.

The McCulley Plant, where these cans are manufactured, as far as New Jersey is concerned, has 580 employees with an annual total payroll of $7,500,000.00. We pay $250 thousand in taxes annually. We make local purchases of $4,500,000.00.

In an expanding recycling program in New Jersey, Reynolds operates a reclamation center in Little Falls which you fellows are welcome to visit if you would like to. A mobile unit also operates out of this center and makes shopping center stops throughout the area for collection of cans from the public.

In three years of recycling in Northern New Jersey we have been reclaiming, or recycling more than 1 million pounds of aluminum annually.

Aluminum, which requires a minimum of secondary packaging also can be recycled with only 5% of the energy it took to make the metal initially.

In a nationwide program that has shown dramatic growth, Reynolds recycled 1.1 billion cans in 1973, paying the public $4.5 million for their collection. The aluminum industry, as a whole, working with beverage wholesalers and distributors throughout the country, recycled 1.6 billion cans. In June the industry raised from $200 to $300 a ton, the amount it would pay for reclaimed aluminum cans.

We have 14 permanent centers throughout the United States. We have 28 mobile units. The aluminum industry itself has 1,300 collection points in 45 states.

Before leaving the subject of litter, which is, as you know, only the tip of the iceberg, known as solid waste, I'd like to comment on what you are talking about, Mr. Baer - the pull tab. Our company and several other companies are working on a non-detachable end which is now being marketed - market tested, rather - by all these different companies around the country. In fact, we are getting into beer cans out on the West Coast right now. We have already started this new detachable opener and we are going to try it on our employees. If it doesn't kill them, we are going to try to get it out on the market.

(laughter)

But it looks pretty good. I have seen this thing.

Because aluminum is a small component of municipal refuse, generally less than 1%, and seldom, if ever, exceeding 2%, it was usually ignored in solid waste disposable or processing schemes designed to get rid of the vast bulk of other refuse. However, Reynolds found that just as the cash incentive was the key to our successful consumer-oriented aluminum can recycling program, aluminum's high scrap value can make it the economic key to the successful resource recovery operations that are being developed around the country.

With these promising solutions, which we think we are going to have some answers to one of these days soon - we are right on the threshold - we, certainly, are against these bills.

ASSEMBLYMAN BAER: Thank you very much, Mr. Pipkin.

MR. PIPKIN: Thank you.

ASSEMBLYMAN BAER: I did want to ask - unless it is an industrial secret at this point - would you be able to provide the committee with an exhibit of this can with the non-detachable tabs?

MR. PIPKIN: It is no secret. We sure will. We might send you a case of that beer if you would drink it.

(laughter)

ASSEMBLYMAN BAER: Very good.

Are there any questions from the committee?

(no questions)

Thank you very much, Mr. Pipkin.

MR. PIPKIN: Thank you, Mr. Baer.

ASSEMBLYMAN BAER: Mr. Pipkin, will you leave information with the committee so we can get in touch with you, insofar as the tour of the facility in Little Falls is concerned?

MR. PIPKIN: Yes, sir.

ASSEMBLYMAN BAER: Thank you.

The next witness will be Mr. Ralph Sidebottom, from the Glass Bottle Blowers.

R A L P H S I D E B O T T O M: Thank you, Mr. Chairman. In the interest of keeping within my 3 minute time limit, I would just simply like to thank you and the committee for the opportunity to speak and I will attempt not to be repetitious in nature. I'd like to cover two items that are directly in opposition with Assembly Bills 607, 1191, and 1361.

Number one - an item of clarification, if you would - there has been a great deal of discussion about the effects of the various bills on labor. Being a representative of labor, I think I should clarify the types of jobs that we are talking about. A number of questions were brought out on this. The types of jobs that would be displaced within the glass industry would be very high-skilled jobs on the one extreme, whereas the jobs allegedly created, which were discussed here today, would be on the opposite end of the scale. Those jobs would be the very low-skilled jobs that

would require absolutely no training. Whereas a standard operator in our plant earns, I would say, on an average of anywhere from $13,000 to $15,000 a year, depending on how much bonus he is making - he can make even higher, up into the $20,000 bracket - we are talking about a great deal of money on a tax structure base, versus the very low paying type of job that may just be up to minimum wage; or if we go back to the "mom and pop" grocery type situation we are talking about a job that may even be below minimum wage in many cases. There can be no comparison value there.

Secondly, I would like to submit - as I have given you - a document that, basically, covers the following: The Environmental Protective Agency and other ecology-centered persons have relied, in the main, on a study done by Dr. Bruce Hannon of the University of Illincis. The attached document is taken from a memorandum presented by Industry Council following a series of 10 public hearings held in Illinois by the Illinois Pollution Control Board.

This information proves that Dr. Hannon's study was erroneous, incomplete and full of suppositions and should not have been used in the consideration of energy consumption by the container industry. (see page 55A)

I think, sir, that this will answer, fully, the different suppositions that have been brought out here as alleged fact to you on that particular report.

That concludes what I have to say in order to keep within my three minute time limit.

ASSEMBLYMAN BAER: Thank you very much, Mr. Sidebottom. Are there any questions from the committee?

(no questions)

Are you from the same group that had a representative here earlier?

MR. SIDEBOTTOM: Yes. I am one of the three area

international representatives that represent the glass bottle blowers in the State of New Jersey.

ASSEMBLYMAN BAER: Very good. Thank you very much.

MR. SIDEBOTTOM: Thank you.

ASSEMBLYMAN BAER: Our next witness is Mr. John Kolb, U. S. Steel Workers.

J O H N K O L B: Thank you, Mr. Chairman. This will just take a few minutes. I am representing the Continental Can Company, United Steel Workers of America, Local 7357. Also, my staff representative, who had to leave, services not only Continental Can Company but also American.

We are in opposition to these Bills - A-607, 1191, and 1361. Our main objection is, as you know, the unemployment rate in the State of New Jersey is at an all-time high. In fact, it is approximately 3% higher than the national average. Passage of these bills would not only result in further economic disaster to thousands of men and women in the can and bottling industry but we are also convinced that legislation, such as is embodied in these bills, is not the solution to the solid waste or the litter problem in our State.

We need stricter laws in both the state and local municipalities against polluters and litterers on our highways, streets, recreational areas and shorelines. We do not want to join the ranks of the 260,000 men and women presently unemployed in the State of New Jersey. We urge support of Bill 1452. Thank you for your time.

ASSEMBLYMAN BAER: Thank you very much for your testimony. Are there any questions from the committee?

(no questions)

I take it that you, also, would be glad to cooperate in some common effort toward recycling?

MR. KOLB: Yes, sir.

ASSEMBLYMAN BAER: Thank you very much for your

testimony.

Our next witness will be Mr. William Beren.

W I L L I A M B E R E N: Thank you, Mr. Chairman. I am here to speak on behalf of the great unwashed, unemployed, environmental movement. I'd like to just state that there is a reason why there aren't more environmentalists here today - it is because they are out working. Most environmentalists are volunteer labor. They have been working on recycling volunteer projects in their towns for a long time. I am sure that most of them do support the concept of abandoning no deposit bottles.

My statement is rather lengthy and, basically, it is an analysis of the way the Oregon and Vermont bills have been working, with specific suggestions as to what to include in a New Jersey bill. I won't go into that now. It is on the record and you can read it.

I would just like to go over some of the points made by previous speakers. Some of the testimony here today has been very inconsistent, particularly with past opposition to environmental legislation in the State.

I would like to note that opposition to the Citizens' Suit Bill centers on the fact that you couldn't use the previous example of what was going on in Michigan because Michigan was a totally different state than New Jersey. Yet, here we see these same people saying, "well, let's use the example of Oregon as an example to New Jersey", even though there is even a greater difference between the economic and social characteristics of the two states.

I'd like to see my opponents be a bit more consistent in their arguments.

Also, we have an example of the retailers coming here and complaining that the bill will cause them increased labor costs, while the bottlers are coming here and claiming that it will decrease labor and the unions

are coming here saying it will throw people out of work. I think a lot more study has to be done on the exact cost.

The League for Conservation Legislation, which I represent - I didn't introduce myself - does feel that the bill will create some economic displacement. We do feel the total jobs created will be beneficial but we'd like to see that study that was referred to before; we haven't seen it as yet.

One of the factors that disturbs us most about all these negative studies of the Oregon bill is that it totally excludes any consideration of the benefits that are reaped. They dwell at great length on the hardships that it creates for the canners and the bottlers and the glass manufacturers, etc. But, no one here has mentioned at all the cost savings related to the decreased cost of beverage containers when returnables are used.

I'd like to point out to the committee that packaging cost constitutes 56% of the total cost of a soda can or a beer bottle when you buy it. The use of returnables will drastically reduce that price and studies that I have seen that take this part of the analysis into account show that this one saving more than compensates for the increased cost throughout the whole system and should result in lower soda price to the consumers.

One problem that environmentalists have been having in Vermont, and to a lesser extent in Oregon, is that the bottlers are not reducing their prices on beer and soda to reflect this lower container cost. Certainly something should be done to account for that in any legislation that the committee chooses.

One other point is, the speaker just before me from Reynolds Aluminum was pointing out the fantastic cooperation they have been getting, supposedly, from their redemption centers and how wonderful their recycling

programs have been. May I just state that the recycling program in Oregon is incredibly more successful; that over 90% of refillable bottles are being returned and over 70% of cans are being returned. If we go to a deposit system here in New Jersey, even if we don't ban the refillable bottle, even if we just put a deposit on non-refillables, we will still see a fantastic increase in the number of glass bottles and aluminum cans that are being recycled.

I'd just like to dwell a little bit - my last point - on the labor question. We have heard a lot about the bad economic situation in the glass industry in New Jersey. I don't want to belittle the situation but I'd like to put it in some kind of context. The overall employment figures for New Jersey for soda bottlers has been dropping steadily since 1958. The figures I have obtained from the Labor and Industry Department indicate that the figures have dropped from 8,000 in 1958 to a bit over 2,000 in 1973. Part of the reason for this is the fact that the bottlers have been going to cans. The assembly line process for filling cans is much less labor intensive than the process for filling bottles; somewhat over half the people are required. If we go to a system of refilling bottles then we can expect to see significant increases in people employed in the bottling industry once again. Thank you very much.

ASSEMBLYMAN BAER: Thank you very much for your testimony, Mr. Beren. Are there any question from the committee?

(no questions)

I know you indicated that you had further information that you wanted to give to us.

MR. BEREN: I will try and I will also seek to get other people, whom I know have comments, to submit them

to the committee.

ASSEMBLYMAN BAER: Well, we will certainly welcome that and the record will be open for other persons to do that.

MR. BEREN: We appreciate that. (see page 72A)

ASSEMBLYMAN BAER: The next witness will be Mr. Harry Perski, New Jersey Package Stores.

H A R R Y P E R S K I: Thank you, Mr. Chairman and members of the committee. I am Harry Perski, Executive Director of the New Jersey Package Stores Association with offices at 400 38th Street, Union City, New Jersey. I am accompanied here by the President of the same Association, whose thoughts on the subject are the same as those that I will express here now.

We appear before you on behalf of practically all package liquor stores doing business in all 21 Counties of New Jersey, to speak on Assembly Bills 607, 1191 and 1361, under consideration here today, and to protest the adoption of any law which can result in seriously endangering the livelihood of New Jersey Liquor Licensees.

The history of the public's beverage purchasing habits show that they buy more throwaways than the returnable container. It is also a fact that many consumers who buy deposit containers still treat them as throwaways.

If this legislation is proposed to cope with the littering problem on highways per se, its success is highly questionable since recent surveys show that more than 4/5ths of all the litter is the result of items and trash unrelated to those items which will be affected if these bills become law. We believe this legislation will be harmful to the public also.

Inagine, if you will, two informed members of a women's league discussing the proposed legislation. One says, "When I think back to the days of lugging bottles

back to the store, trying to find places to keep them in an apartment, not exactly designed for bottle storage and - worst of all - going back to finding bugs in the residue of the bottles awaiting return, it seems archaic". The other leaguer says, "I think it's a great idea for the exterminators. But don't you think we ought to look for the real culprits? Check the parking lot near home and you'll find newspapers, sandwich boxes from the MacDonalds or Burger King, waxed paper, paper cups and perhaps a bottle or can buried under all this debris. Will all those selling goods to take out in bags, cups, buckets, etc., be required to charge a deposit in the hope of alleviating the real culprits in this litter clean-up?"

ASSEMBLYMAN BAER: Mr. Perski, I wonder if you could try to come back to the bills. I know that you will confine yourself to 5 minutes but still I would like to keep close to the bills. We are getting a little far afield and we still have an awful lot of witnesses and territory to cover.

MR. PERSKI: Apologetically, I would ask you how I am departing from the bills? I am trying to say that the bills are not acceptable on the basis of what I am pointing out now. I have said that it is conceivable that women - those who are not involved directly in the sale of the operation - may also be, in some way, affected, arbitrarily. harmfully.

That was the only point I was making. I was going to close up very shortly on it. I certainly apologize for transgressing. I don't mean to.

ASSEMBLYMAN BAER: Proceed.

MR. PERSKI: "Now consider the added burden on us, already overburdened housewives, having to lug bottles and cans back to the store and facing the arrogant

reaction of clerks having to pay out funds for these returnables".

Now, these comments are not intended for laughs; they are wholly conceivable.

Throughout the nation many states have considered similar legislation. Only two states are at this time governed by such laws. They are Oregon and Vermont. I have here something on Oregon. I will pass it up because there has been plenty said on that subject.

However, the State of Vermont had its first anniversary this past July. Reports coming out of the State indicate that it is a horror show of confusion, loss of sales resulting in loss of State revenues and loss of jobs.

Beer sales and tax collections in Vermont for the first four months of 1974 were down 25% from the same period of 1973. At this rate the State stands to lose $1,000,000 or more over the course of a full year, since the first four months are the low sales volume months.

Some brewers, including Schmidts, Piels and Knickerbocker have discontinued doing business in Vermont.

According to an analysis by the Vermont State Planning Office, their litter law could cost Vermont consumers as much as $10 million each year, or an average of $67.20 per family. And here are more facts:

The Vermont law imposes a deposit charge on all beer and soft drink containers. The retailer must charge this fee and give refunds, whether he stocks that particular brand or not. Retailers are complaining that they have become the garbage collectors. Service has fallen off because of the double handling under this law - first he sells the container and then he must buy it back. Lack of storage space, lost time, and insuf-

ficient wholesaler pickup equipment compound the retailers' problems. Unsanitary conditions in storage of returns are hazardous.

There have been proposals made here which hold out great hope for a reasonable resolution of the problem other than the methods pursued in Oregon and Vermont, which have been tried and found to be deficient.

The New Jersey Package Stores Association supports the testimony presented by the container people, the glass people, the beverage manufacturers, etc., and some others who have spoken on these bills today.

We oppose 1361, 1191, and 607 for additional considerations. Many package store owners, for whom we speak, will be forced to lease additional warehousing space, if such space is available, and they will be forced to pay higher insurance rates because of the greater hazards involved in handling broken bottles or mutilated metal containers. And this bill places an added burden upon certain retail outlets who, because of their highly trafficked location, will be forced to store and pay out deposit money on containers they never sold, a highly unreasonable situation.

Returned containers can be, and usually are, health hazards. Few returns are sterilized and those picked off the road for collection of deposits are never sterilized.

The New Jersey Package Stores Association reflects your desire to eliminate the litter which the unconcerned carelessly spread about the landscape, but we urge that you study the alternative proposals since the proposed legislation will disrupt many industries and economies without curing the evil.

The legislation under consideration - and I speak of A-607, 1191, and 1361 - may very well be without

legal foundation since the prohibition or restrictions against specific containers to the exclusion of all other similar types of containers would be discriminatory.

What makes a fruit can, a vegetable can, or a non-carbonated can litter proof? Let us not be guilty of misdirecting our priorities. Your choice between the unsightly and the unsanitary is not a difficult one to make. More people have and do suffer greater danger to their health from unsanitary surroundings than from unsightly ones. People, not containers, are the cause of the problem.

We find no fault with Legislators who propose legislation which they believe is in the public interest, in fact we find it admirable that these Legislators retain an open mind as well as offering an open forum on all legislative proposals so that an honest appraisal of the facts will lead to a just conclusion. I thank you very much.

ASSEMBLYMAN BAER: Thank you, sir. Are there any questions?

MR. PERSKI: We will - if I may anticipate your question - certainly be happy to cooperate in the business of recycling.

ASSEMBLYMAN BAER: Thank you very much. Are there any questions?

ASSEMBLYMAN STEWART: Do you know of any state or municipality - local municipality - that may have had a non-returnable bottle ordinance or law?

MR. PERSKI: I don't know, but that is a good question. I think somebody might think it was asked for a purpose. Grand Rapids, Michigan, in this past election, turned down the opportunity to adopt such a regulation, by referendum.

ASSEMBLYMAN STEWART: Since the first time I

asked that question I received a list of quite a few municipalities that have either turned them down on referendum or repealed them after a year or two in operation. That is why I was asking if you knew of any more. Some were in California, Massachusetts, Ohio, etc.

MR. PERSKI: I might say that I think I would know because I attended hearings of this nature in New York - in Albany - and there was nothing said other than the fact that the Oregonians were also in New York - they flew two of them there - and they were both on the side of the operation as presently involved in their state, and there were three from Vermont. They were all for the "pro" side of the operation. But there was nothing mentioned about local municipalities adopting regulations that would in any way contain the problem.

Again, I want to thank you, gentlemen, very much.

ASSEMBLYMAN STEWART: The next witness will be Alice Cohan, Public Interest Research Group.

A L I C E C O H A N: Good afternoon. My name is Alice Cohan and I am Executive Director for the New Jersey Public Interest Research Group.

Before I begin, I'd just like to comment on the fact that not only am I active in PIRG but I am also active in the National Organization for Women. In response to our previous speaker, I'd like to hope that he would allow the overburdened housewife to choose for herself between lugging bottles back to the store or contending with overwhelming solid waste problems.

New Jersey PIRG contends that the effective control of solid waste disposal is within the public interest of this State. Not only is the concept supported by environmentally minded citizens, but should be supported by the bottlers and brewers as well.

In an article entitled, "Oregon: One Year After the 'Bottle Bill'", published in an industry journal called "Soft Drink", it was stated that: "If nothing else, many soft drink bottlers and brewers in the state and their container suppliers seem to be on the unfortunate side of a substantial credibility gap, claiming all along that the law would wreak havoc on their businesses and fail to stop litter. They seem for the most part to have been proven wrong. . .(although distribution and handling costs have increased). . .sales appear to be steady with some bottlers even admitting that sales and profits are better than before the bill was enacted."

Unfortunately, there are people that continue to claim that concern for our environment is too costly. New Jersey PIRG feels that both of these conflicting views cannot be correct. A program for solid waste disposal and bottle bill has to be considered as an important alternative to the problems that we have today. We feel that the industry contentions of this being economically infeasible are false. The economic implications of recycling programs and beverage container recycling proposals, in fact, support such legislation.

In my testimony today I will further prove this important point.

Since enactment of the legislation in Oregon, no brewer, soft drink bottler or distributor has gone out of business.

There has been much speculation as to the effect of the bottle bill on the loss of employment in skilled jobs and the gains in unskilled employment. In the industry sectors considered in the Oregon State University report the following was found: Container manufacturers have reduced production employment as have contract canners. Soft drink bottlers and brewers have increased

production employment due to increases in washing and sterilizing and because bottling is more labor intensive than canning.

Increases in transportation and delivery costs have added to truck driver employment. The increased handling, sorting and storage of returned containers has added to warehouse and handling employment.

In considering the question of the economic impact of an environmentally sound program for dealing with solid waste, we must look more closely at the present situation of our throwaway society.

It is PIRG's position that the policy of one-way containers increased the control of the industry by national bottlers by forcing small bottlers out of business and consolidating the industry. Thus, another casualty of the throwaway container has been, and continues to be, the small bottler. Although not well publicized in the popular press, the demise of the small bottler has been a primary goal of the proponents of the one-way containers. Buying up small franchises, large bottlers, such as Coca-Cola of New York are busily consolidating the soft drink industry under the exclusive territorial franchise system. And it is not just Coke that's thirsty. Companies like Beatrice Foods, Borden, General Tire and Rubber and Westinghouse have been busily acquiring soft drink bottlers. One-way containers are the backbone of these expanded franchise areas.

Further, N. E. Norton, President of the Royal Crown-Dr. Pepper Bottling Company, sees returnables as a way out of this trend toward consolidation. He stated, "The one-way container is the reason the franchise boundaries are crumbling, and a return to 100% returnable bottles would put the local bottler back into a position of strength and security. The one-way container

is ecologically unsound, unnecessarily expensive and is not to the best economic interest of the bottler. A total ban on non-returnable bottles and cans would be the best thing that could happen to the local bottler."

ASSEMBLYMAN STEWART: Byron keeps signaling me that you only have five seconds left.

MS. COHAN: Okay. I will summarize and you can read my statement. In it you will see that PIRG supports Senator Garramone's bottle bill and we hope that you will consider that in your deliberations. We also support Betty Wilson's Bill for source separation. Thank you for your consideration.

ASSEMBLYMAN BAER: By the way, has that Garramone Bill been distributed to the committee? Are they identical?

MS. COHAN: I believe they are not from what we understand. It is closely related to Gladstone's Bill but it does not include - Gladsone's Bill does not include all the points that the Garramone Bill does, so I hope you will look at it.

ASSEMBLYMAN BAER: What is the difference?

MS. COHAN: The difference is that the Gladstone Bill does not deal with the redemption center points, I believe. The Garramone Bill is very closely - more closely - related to the Oregon Bill than the Gladstone Bill.

ASSEMBLYMAN BAER: I see.

MS. COHAN: I can get you the details on that.

ASSEMBLYMAN BAER: Fine. Thank you.

ASSEMBLYWOMAN CROCE: Can I ask a question?

MS. COHAN: Sure.

ASSEMBLYWOMAN CROCE: You have here that there were jobs-- On page two, you say: "Although some 142 jobs in the container industry were lost initially. . ." some one and one-half employees were going to be hired

at a supermarket.

MS. COHAN: Right.

ASSEMBLYWOMAN CROCE: Well, these would not be the same men that were laid off from the plant, because some would probably be too old or they wouldn't be eligible, so what do you do with these men who were laid off from these plants? Where do they go? Naturally, I don't think they would be rehired by a supermarket.

MS. COHAN: Well, in any situation where you are transferring people or energies into different sources, you are going to have some problem with reallocating resources. But I think that it is feasible that the same individuals can transfer from doing one part of a job into doing a more conservation type position that has been made available through a bottle bill.

ASSEMBLYWOMAN CROCE: Thank you.

ASSEMBLYMAN BAER: May I ask what do you think of the feasibility of such a transfer occurring at the time of high unemployment?

MS. COHAN: Well, I think that the unemployment problem is a very serious one and we agree with that. But the fact is, if you look at the studies you realize that you can have losses and unemployment in certain jobs and gains and employment in others. Certainly, you are going to have a tradeoff and whether you look at that as a total--

ASSEMBLYMAN BAER: On a statistical basis, but for the families involved, if it occurs during a period of high unemployment, it is a dislocation of a different nature than when the dislocation occurs in a period of high employment and they can actually get that other job.

MS. COHAN: I understand. I agree with that concern. I think that is something that, perhaps, can be helped along. In other words, we can do some sort

of a program that would encourage the direct transfer and placement into other jobs of those people that might be losing jobs as a result of this bill.

ASSEMBLYMAN BAER: Thank you.

MS. COHAN: Thank you. (statement on page 81A)

ASSEMBLYMAN STEWART: The next witness will be Mr. Fuller. After Mr. Fuller we will hear Mr. William Lohrfinck.

E V E R E T T F U L L E R: I will try and highlight my written statement for you. There are some important things that I would like to highlight, or mention.

My name is Everett Fuller. I work for the American Can Company and I represent that Company, as well as the other can manufacturers in New Jersey. I am, obviously, speaking in opposition to Bills 607, 1191, and 1361.

There is no question in our minds that these bills would destroy the can - beverage can - industry in the State of New Jersey. It is happening in Oregon and it is happening in Vermont. I have personal knowledge of Vermont, having spent some time up there in the last six months. Two of the major soft drink bottlers in Vermont - Burlington and Bury - have discontinued cans because they can't cope with the system that they are being forced to accept up there.

Our plants in New Jersey employ 7,000 people and 3 of those plants are 100% beer and beverage, and they would be forced to close - Edison, a new one being built in Brunswick, and one in Hillside. I'm sorry, the one in Hillside is 90% but that would be forced to close also.

Any reduction in beer and beverage containers would also affect our M & T operation, which is, along with vulcan, a detinning, recycling operation here in New Jersey.

In addition, of course, these bills would be highly inflationary and attached on the last page of my handout is the personal survey I made in New Hempshire and Vermont, showing the different prices on cash register tapes in the two states. You will note there is a 14¢ higher cost in Vermont for a six-pack of beer than there is in New Hampshire. Incidentally, these are non-border stores, to avoid that problem. It is also 5¢ higher on a six-pack of carbonated beverage.

Now, these are the negative aspects and I'd like to also give you - I don't have any more than two copies - a study that was given to the EPA in Washington, made by the Retail Grocers Association in Vermont, of the impact of this bill on those small stores, and large stores, throughout Vermont. I will give you these for the record also. They paint a very sad story of what is happening to the retail grocer in Vermont as a result of these bills.

Now, for the positive aspects of it, our company, along with many others, has been involved in recycling for many years and this brochure that you have describes that process and indicates how cans are recycled and from there, in our own M & T operation, they go to the steel mills.

The second brochure that you have is our "Americology" system, which was developed by American Can and there are other systems developed by other companies. I have a brochure that I will leave with you - it is the only one I have. This has been proposed for the City of Hempstead, Long Island and it describes our process and the benefits to the City of Hempstead. I understand that they have approved this system for that City.

In Americology there is a pilot operation in

Elizabeth, New Jersey, currently operating, that we would be very happy to show you if you would like to come. As I say, it is a pilot operation. The full-scale operation is being bid on in a number of cities in the United States.

These Americology systems can process solid waste and a typical one is 500 tons per day, which is equivalent to a city of 200,000.

I submit that the answer is not in this piecemeal approach, such as the legislation that you have in the bills that we oppose, but is in the total area of solid waste management. As you can see, we have done a considerable amount of work already ourselves and we are certainly willing to work with you as an industry and as a company in furthering the development of those processes and making them work.

That is all I have to say. If you have any questions, I would be glad to answer them. (see page 96A)

ASSEMBLYMAN STEWART: Thank you very much. Are there any questions?

(no questions)

Mr. William Lohrfinck.

W I L M E R L. L O H R F I N C K: My name is Wilmer L. Lohrfinck and I speak as Secretary of the New Jersey Soft Drink Association, which is celebrating its 50th year of service this year.

I want to thank the committee for the opportunity to present to you some facts which I am sure you will want to consider and which I feel are not generally understood.

Permit me to draw on my half century of experience in our soft drink industry.

Until the last dozen or so years, our soft drink industry packaged all their products in returnable glass

bottles only. The use of non-returnable bottles and cans came about gradually over the years. It did not come about as a sudden decision.

It came about with reluctance on the part of our industry - but through economic necessity to survive. Going back the dozen or so years I earlier referred to, small bottles had a 2¢ deposit, which about covered their cost at that time. That same size bottle today costs approximately 10¢ each. When those bottles were returned for reuse it was a profitable business. Gradually, through the years, those bottles increased in price and fewer were returned. The deposit was increased to 5¢ and 7¢ in an effort to increase the number of returns. This step failed and eventually manufacturer after manufacturer was forced to increase his use of non-returnable containers - because he could not survive the loss of his returnable containers which were costing him more than the deposit he could secure from his customers.

As further evidence of the bottlers effort to continue the use of returnable containers, a major manufacturer about 5 or 6 years ago, embarked on a plan to re-educate people to return his returnable bottles. They purchased 1/2 million cases (24 bottles to a case) and through planned publicity -newspapers, radio, etc., - they attempted to educate people to return those bottles. This effort failed completely and the cost of the effort, running into the millions of dollars, went down the drain.

Another major manufacturer persisted in the use of returnable containers, but was eventually forced by his customers to use mostly non-returnable containers. I believe it is important that all understand how the industry came to use non-returnable containers.

You man and our industry are both concerned with the solid waste problem confronting us. We both want to

do something about it. The only difference is in our approach.

Our industry within our State, and nationally as well, has, over many recent years, worked hard and spent considerable money seeking the solution. We have been joined in this effort by the brewers, the glass, the can and the aluminum manufacturers and numberous other organizations representing those industries have tried to educate people not to litter. Additionally, organizations like the National Center for Resource Recovery, which is sponsored by our collective industries, have, we believe, come close to solving the problem.

Assembly Bills 607, 1191 and 1361, in our opinion, will not solve the problem, but would result in the closing of some plants with additional loss of jobs which New Jersey certainly cannot afford now. Additionally, there would be a loss of tax revenue and increased cost to the consumer.

We are firmly convinced the solution to the problem is in the establishment of regional recycling processing plants. The American Can Company - which you just heard about - in Elizabeth, New Jersey, has such a pilot plant available to see.

We believe also that Assembly Bill 1452 offers, in substance, our general approach to the problem.

We therefore suggest the members of that committee as well as you men meet with our industry people in a joint effort to plan a solution to the problem.

Government, Labor and Industry, working together, can get the job done and we welcome the opportunity of working together.

ASSEMBLYMAN BAER: Thank you very much for your testimony. Are there any questions from the committee?

(no questions)

Thank you very much for your valuable testimony and your offer of assistance.

The next witness on the list is Mr. Stanley Levy.

S T A N L E Y L E V Y: I am Stanley Levy. I am from the glass industry. I am also a respresntative of the different locals in the State involved in this industry. I work in the Glassboro Plant of Owens, Illinois.

I get a little concerned when people speak about displacement. It is a college word to say that an awful lot of our people over 40 years of age are going to be on unemployment and welfare.

The skilled jobs that we have in our industry require anywhere from 36 to 48 months of an apprenticeship. What happens in the store where they collect bottles for rewashing is, you hire the kids off the street. We would like to have jobs for them but you certainly don't replace the loss of purchasing power within the community.

We have, in my plant alone, over 60% of the people with over 15 years seniority. In our area, which is South Jersey, we are close to 9% unemployment and as you know the unemployment rolls are almost bankrupt - that is, the money.

We are hit with other problems too which haven't come up here today. I know my wife was laid off in a plant that was shut down due to imports and we have had close to 1,000 layoffs in our industry due to the tremendous increase in sugar prices.

Now, these are real problems and they have already resulted in layoffs of tremendous amounts. This thing is just another "shot in the gut" to the people who are working in our industry and they are scared to death.

It is not a "displacement" factor. You are knocking people onto the streets. I just can't put it any other way.

Another question I have: My wife goes shopping and she doesn't shop in the small store around the corner either. Everybody goes to a supermarket nowadays, usually in a shopping center. I am not going to advertise them all; they are all over the State. But if I have to drive 20 miles to bring some bottles back, you can use all you save up in gas, and we are talking about saving energy.

I am sure when we have 30 million to 100 million population, we could conceivably get along with this type of set-up - you know, bringing stuff back and forth. But convenience packaging is part of an industrial society with 200 million people. It seems to me grossly inefficient to pick out one commodity and say, "you have to run it back and forth on a bunch of trucks and then wash them and dump the caustic into the water system". You do wash these bottles with caustics. So, the plants involved will either have to set up water filtration systems to remove the caustics or they will be dumping that into the water supply.

All and all, it seems to me a sort of silly solution to a really difficult problem and I know we, in our industry, do support Bill 1452 because we must start, even nationwide, to conserve our resources. We realize that the earth is finite.

ASSEMBLYMAN BAER: Thank you very much for your testimony. Are there any questions from the Committee?

Since I think you may not be on the list here I would like to further identify you for the record. You are with the AFL-CIO Closure Division, is that correct?

MR. LEVY: Of the glass bottlers.

I see. Our next witness will be Mr. Lloyd Curtiss.

L L O Y D C U R T I S S: Gentlemen, I appreciate very much this opportunity to be in Trenton with you today.

My name is Lloyd Curtiss and I work for the Pepsi Cola Company, which is the parent company of many of the bottlers here in the State.

We also have three plants in North Jersey that are company owned, up in the very heavily populated Bergen, Essex and Hudson area; Teterboro, North Brunswick - I guess that is Middlesex - and Jersey City.

I will make my statement brief. I have given a 10 page statement to you. I am delighted to tell you that six of those pages are exhibits and they do bear out many of the things that were said here today. I hope that they will be of help to you in evaluating the bills before you.

Let me say that the Pepsi Cola Company is concerned about legislation that restricts the type of packaging to be utilized in our distribution system and takes away the customers right of free choice in the marketplace.

Based on our experience in Oregon and Vermont we have also found that if you legislate restrictive beverage container laws, such laws eventually increase the cost of beverage products to consumers.

There hasn't been an awful lot said in the last hour or so about consumers. I will tell you that we do not like to pass increased cost through, but we must. Today, the soft drink industry is in bad shape. We are the major customer of the sugar industry and I think we all know, from reading our daily papers, what has happened there and if you go into a store you

will find that the old five-pound bag on the shelf is going for about $2.35 - I heard this morning - whereas a year ago it was only around 80¢, or somewhere in that vicinity.

So, this is something we have to live with and this is cutting back the sales, undoubtedly, of many of our bottlers and that is why some of these men from Glassboro and elsewhere are now seeing a slowdown of what we buy. We don't know where this is going to end but this is a serious problem.

The three plants in North Jersey that I mentioned, by the way, employ 400 to 500 people, depending upon the season.

Mr. Ed Schober, who is the Vice President of that area, was with us earlier today, but he had to leave because he became physically ill. So, I told him I would make mention of his plants.

I would like to say that in the case of Oregon we were told that there were no price increases out there. I want to dwell on things that I have heard said today. I would like to have this on the record because sometimes people don't have access to these figures. In the case of Portland, which is a large franchise, prices were frozen at the beginning of that law for a year almost, and that was a Federal law we lived with, if you will recall - the "price freeze". So, there were no price increases in Portland.

But in the outside areas, the soft drink industry raised the cost of a six pack of their product 10¢, in most cases. So, there were price increases and they were directly traceable to an increased distribution system.

Now, we have heard that when this sort of a law - and I refer, specifically, to the Oregon type - goes into

effect, that it doesn't really affect business too much. I have heard some people say that. Well, I have available to me, because our company did pay for a leading national research organization to track the sales record in Vermont and the first report we have on that to use for comparison - that was June/July of 1974 versus a year ago - shows that sales for the total soft drink brands - all of the brands in Vermont - are off 27% in grocery stores. That is a tremendous falloff and that business, in many cases, went over to New York State and went over into New Hampshire. How do we know that? On the border we have a Pepsi Cola Plant - in Claremont, New Hampshire - and he is enjoying a new increase in Vermont business that he gets in New Hampshire - very much. This is out of the hide of the smaller "mom and pop" type operator in the State of Vermont. This is a serious situation with the smaller Vermont grocer. Has that been referred to here before? I don't want to bore you.

ASSEMBLYMAN BAER: You have about 30 seconds left.

MR. CURTISS: Okay. In the case of Oregon,no one has said how much, really, our profit was down out there - that is, in that Oregon study. It is down about 8¢ on a six-pack of soft drink. The bottler's profit has been cut by 8¢. That is an important figure too.

We talk about convenience packaging. Convenience packaging is a thing of the the time in which we live. The frozen food section will bear that out. These things are around us but sometimes we are not aware of them.

Now, the other thing that I would like to talk about- because New Jersey had a serious problem - is in the area of gas rationing, the lines we had at the stations, etc.

ASSEMBLYMAN BAER: Excuse me just a moment, but I

think your five minutes has just run out. The gas lines--

MR. CURTISS: Well, they have something to do with energy, sir, and the returnable system.

ASSEMBLYMAN BAER: Well, you are speaking ahead of other speakers because you committed yourself to stay within 5 minutes.

MR. CURTISS: I have also utilized Mr. Schober's time, sir, from our metropolitan plants of North Jersey because he is no longer here. I did spend a minute or two talking about Pepsi Cola in North Jersey.

ASSEMBLYMAN BAER: Well, can you conclude briefly because I don't want to be unfair to the others who have been waiting here a long time and they are still waiting to be heard. I would really appreciate it if you would respect the minitues that you, yourself, said you would follow.

MR. CURTISS: All right. I am sorry. I will hand this in. Thank you very much.

ASSEMBLYMAN BAER: Thank you. If there is anything further that isn't in the statement and that you wish to make us aware of, it can be supplemented in an additional written statement.

MR. CURTISS: It has been a long day and I appreciate your patience. It is a pleasure to be here because I live in New Jersey and I go to 49 other States. I will say it is nice to come here and have someone say, "hey, you are not a carpetbagger".

(laughter)

Well, we get accused of that - you know, running around the country. So, it has been good to be with you. (see page 121A)

ASSEMBLYMAN BAER: Are there any questions from the committee?

(no questions)

The next witness will be Mr. Goetz of the Garden State Paper Company.

J A M E S G O E T Z: Thank you, Mr. Chairman. I represent the Garden State Paper Company in Garfield, New Jersey, on behalf of its Chairman, Richard B. Scudder.

The Garden State Paper Company, a subsidiary of Media General, Inc. of Richmond, Virginia manufactures fresh newsprint from 100% used newspapers using a unique patented process for removing the ink while repulping the old paper.

We own and operate mills in Garfield, New Jersey and Pomona, California and operate a third mill in Alsip, Illinois, in conjunction with Field Enterprises, Inc.

Together these mills consume over 400,000 tons of used newspapers each year in the manufacture of some 360,000 tons of fresh newsprint for over 200 customers, nationwide.

I might add that our Garfield Mill uses over 200,000 tons in our total consumption.

I will restrict my comments today to an endorsement of A-1452. We believe this bill, as law, would have a positive effect on resource recovery in New Jersey.

Garden State Paper Company first became associated with municipal recycling in 1968, when the first program of its kind was initiated in Madison, Wisconsin. For several years the Alsip, Illinois, mill has been receiving a steady supply of over 200 tons per month of used newspapers from Madison. We have since pioneered in the development of similar programs in the market areas surrounding all of these mills.

Our experience in this area has enabled us to make some observations that are pertinent to this legislation.

The most important factor affecting recycling of all kinds is the market for the product made from the

recyclable material. This is particularly true of waste paper. Over 70% of all waste paper presently recycled is used in the manufacture of packaging materials such as boxes for cereal, detergent, crackers, toothpaste tubes, six-pack cartons, etc. When products packaged in recycled paper are in demand, then waste paper, as a raw material is in demand. When the economy is depressed, as it is now, the demand for waste paper is similarly depressed.

This, in turn, affects the price paid for the waste paper. You may remember the severe shortages that existed in late '73 and early '74, due to unprecedented domestic and foreign demands for waste paper, which were further aggravated by strikes and poor weather. In a way, we in the industry did our job too well in encouraging increased collections, for, combined with a severe down-turn in the economy, it has resulted in an over-supply of most grades of waste paper today.

This fluctuation of supply and demand and price is common in the waste paper recycling industry and it has been a difficult problem to overcome. We believe one of the partial solutions is municipal recycling. With cities and towns providing a steady supply of waste paper, mills would not have to overstimulate supply to the point where it depresses the price and, once again, dries up the supply.

There are presently over 20 mills in and around New Jersey which have the capacity to use over 14,000 tons a week of used newspapers alone, plus many thousands of tons of the other grades. A severe problem arises when the demand for the finished product declines while the mills still have a sufficient supply of waste paper from traditional sources on hand. The result is a back-up in the normal supply lines.

It is for this reason we recommend that this Bill, 1452, be amended to include a requirement that a municipality have a guaranteed outlet for the materials it plans to collect, before grant money is appropriated. We believe this proposed amendment is the key to the success of this entire concept.

Another important observation on municipal recycling in general is that we feel these collection programs are most successful when handled by municipal employees and somewhat less successful when handled by private contractors or private non-profit organizations. There are, of course, exceptions in each case.

Another observation is that most programs require at least a year of public education and frequent reminders to residents before a substantial volume of the materials are separated and placed out for collection on the "proper" day. Most people are creatures of habit and experience has shown that it's just a matter of time before it becomes routine.

We've also found that newspapers are the easiest component to start with because people generally keep them separate until it is time to discard them. Other components, such as corrugated boxes or glass containers could be phased in later.

In conclusion, we feel municipal recycling will have a substantial positive impact on the paper recycling industry and this Bill could be a contributing factor. We appreciate the opportunity to testify at this hearing.

ASSEMBLYMAN BAER: Thank you for your valuable testimony.

I have one question and that is, could you provide some additional explanation to us as to why it is you find the municipal efforts are more successful than private efforts? What are the factors involved

there?

MR. GOETZ: Well, one of the factors is sometimes a little hard to describe and a little hard to get people to admit. It is, when a town is doing it itself, it has the opportunity to reallocate existing resources. They may have, say, four collection days. Some towns that I have dealt with may have collections on Mondays and Tuesdays or Tuesdays and Fridays and Wednesday may be an off day. They will use that day to do something else - leaves or whatever it might be. Some of the towns we have worked with have been able to find men available - maybe four or six days a month, which is usually all that is necessary - to collect newspapers.

So, for that reason, I think it is important. A private contractor has to make money, that is what he is in business for. He doesn't have any way that he can reallocate resources. He has to have a certain amount of trucks and a certain amount of men. He has to hire them if he doesn't have them. They city frequently has somebody on hand who can be reallocated for this project.

ASSEMBLYMAN BAER: I see. Thank you. Assemblyman Rys?

ASSEMBLYMAN RYS: Your plant in California and also Garfield overperformed due to the request by the Japanese, right?

MR. GOETZ: I'm sorry, will you say that again?

ASSEMBLYMAN RYS: In other words, the request from Japan, on a contractual basis, was so enormous that it brought the price of paper down and so, therefore, there are no pickups.

MR. GOETZ: Well, initially they drove it up and we had to respond to that a year ago. As I mentioned in testimony, we responded, perhaps, overzealously, to

the point now where there is even a worse oversupply on the West Coast than there is here on the East Coast and we are having a very difficult time keeping the supply lines open because we have only a capacity to produce so much paper, or to use up so much paper.

Of course, at the same time that our markets became depressed here, the Japanese and all the Oriental markets were down and they stopped buying their 5 or 10 thousands tons a month from California.

ASSEMBLYMAN BAER: Are there any other questions?

If any of the members of the committee want to see your setup, would that be possible?

MR. GOETZ: It certainly would. By all means. My name and address is on the last page of the testimony. (see page 131A)

ASSEMBLYMAN BAER: Thank you very much for your testimony.

MR. GOETZ: Thank you.

ASSEMBLYMAN BAER: I would just like to say in closing, since there are no further witnesses present in the Chamber, that this hearing has produced quite a volume of information. The committee will study it very carefully. I am particularly impressed by the cooperative spirit shown by virtually every witness that has testified here, insofar as trying to work out something practical in a resource recovery program that would be effective for this State.

I think we can be sure, from everything that we have heard, that members of the committee are very sensitive to the problems of employment and maintaining the activity of industry in this State, just as they are to the need to accomplish far more than that which we have already accomplished in resource recovery.

Thank you all. Mr. Applegate, do you want to say

something before we close?

MR. APPLEGATE: I'd like to express our appreciation to you and the other members of the committee who have so patiently listened to all representatives here and to reiterate that we stand ready to cooperate with your committee in solving this problem.

ASSEMBLYMAN BAER: I am looking forward, very optimistically, to something very solid coming from this - and I don't mean solid waste.

MR. APPLEGATE: Thank you very much.

ASSEMBLYMAN BAER: Thank you all again. The hearing is now concluded.

(Hearing Concluded)

SUBMITTED BY MR. RALPH SIDEBOTTOM

ENERGY

The Enviromental Protective Agency and other Ecology centered persons have relied in the main on a Study done by Dr. Bruce Hannon of the University of Illinois. The attached document is taken from a memorandum (brief) presented by Industry Council following a series of 10 public hearings held in Illinois by the Illinois Pollution Control Board.

This information proves that Dr. Hannon's study was erroneous, incomplete and full of suppositions and should not have been used in the consideration of energy consumption by the container industry.

the proposal before the Board.

3. Energy

Although the Task Force is not authorized by the Act to propose regulations for the purpose of conserving energy, a section of the Task Force Report entitled "Resource Utilization in the Beverage Container Industry" was devoted to that issue (PCB Exhibit 3, pp. 21-23). The Task Force concluded that:

> "1. The beverage industry is a relatively small power consumer.
>
> "2. A returnable bottle system could save up to 55% of the power consumed by the beverage industry.
>
> "3. The major advantages of recycling glass containers is lost when those containers have to be separated and re-melted." (PCB Exhibit 3, p. 23).

The evidence introduced in the record disclosed that of those conclusions, only Number 1 is correct.

The 55% figure apparently came from Professor Hannon (T. 137-38). But even Hannon in the latest version of the same study retreated from the 55% figure and said it was only 40%.*/ Moreover, the 40% figure is based upon a trippage of 15 for soft drinks and 19 for beer (i.e., 93.3% and 94.7% of all the containers sold must be brought back and reused), which of course is totally unrealistic for an all-returnable system. As we shall demonstrate, even taking all of Hannon's figures at face value, the savings would be nowhere near 40% and may in fact be non-existent.

The assertion that the advantage of recycling glass

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*/ As we shall point out, infra, there have been various versions of Hannon's study of the energy use in the beverage container industry which have contained different estimates of the potential savings from converting to a totally returnable system.

containers is lost when those containers have to be separated and remelted is also apparently based upon the early version of the Hannon report which asserted that recycled glass consumes 8.6% more energy than the normal manufacturing process which uses virgin materials and cullet (PCB Exhibit 3, pp. 21-22). As shown by the testimony of Joe Baxter, an employee of Black-Clawson -- the company whose operations Hannon purportedly used to make his calculation -- this figure is also erroneous (T. 3534-37; Baxter Exhibit 1).

Professor Berry's Testimony

The Institute's witness on the energy issue was Professor Stephen Berry of the University of Chicago (T. 537). Professor Berry's testimony revealed that he had made no independent study of the matter but had examined the Hannon Report and checked some of the figures and calculations in it (T. 541, 567). In addition, he acknowledged that the amount of energy to be saved by a shift to a returnable system, even assuming Hannon's numbers were correct, was "very, very small" . . . indeed, "almost miniscule" (T. 541, 550).

Professor Berry repeatedly said that the most important function of the proposed regulation would be to stimulate attitudinal changes (T. 543, 566). In fact, the whole tenor of his testimony was not that any meaningful amount of energy could be saved by a shift to a totally returnable system for beer and

soft drink containers, but was instead that this shift might produce attitudinal changes which would have benefits in other matters, such as transportation, which involve much greater uses of energy (T. 559-66):

> "A. . . . On balance I would say that we are doing a kind of gentle diagnostic test of the society, of people's attitudes of helping with a little therapy . . . ." (T. 559-60).
>
> * * *
>
> "Q. If the automobile is really the thing that costs the greatest amount in energy, transportation, why do we not start our experiment there?
>
> "A. I do not care where we start our experiments, I would love to do some experiments with the automobile too. I think we should start one here, one in the building codes, one in scrap recovery, there are lots of ways that we can pin these down." (T. 560-61).
>
> * * *
>
> "Q. Your view is that we should do this as an experiment to see whether it will work and whether it will produce any benefit in the energy area, is that right?
>
> "A. That is, if it does not work after 3 or 4 years, then we ought to find something different." (T. 562).
>
> * * *
>
> "Q. Didn't you state that the reason you start with the bottling industry is to get the consumer thinking along other lines towards his use of energy?
>
> "A. Roughly, I think I said that the most important consequence of regulations of this kind is going to be the attitudinal changes that it introduces." (T. 566).

In effect, Professor Berry was suggesting that this would be an interesting experiment to see if attitudinal changes

could be produced. While this might be an interesting experiment if it could be done in a laboratory by a college professor without injuring anyone, wholesale experimentation of this nature should not be undertaken where severe adverse impacts on employment and the economy are certain to occur. The danger of such experimentation was made clear by Professor Berry's admission that he did not know what the employment or economic impact of such a regulation would be (T. 559). Thus his recommendation that such a regulation be put into effect flies squarely in the face of his own advice, for he acknowledged a prior statement in which he said "we must understand not only the way the system works and identify its weaknesses but we must carefully find out how it responds to therapy lest we kill the patient with overzealous care." (T. 559).

Professor Hannon's Reports

Virtually all of the proponent testimony in this record on the energy issue stems from one or another of a series of reports prepared by Professor Bruce Hannon of the University of Illinois. The statements contained in his various reports were repeated often by witnesses who had neither personal knowledge of the basis of those statements nor the background which would qualify them to judge their accuracy.

Before going into detail concerning Professor Hannon's calculations and what they mean, it should be noted that Professor Hannon did not approach this subject as a disinterested scientist

seeking to measure the relative energy consumptions of two different systems. Professor Hannon stated that he was "biased" before starting his project, and he obviously set out to find some basis for justifying his personal prejudice against the one-way container (see National Can et al. Exhibit 12).

Professor Hannon testified, based upon the figures in the latest version of his report, that in 1970 the energy used by the beverage industry to containerize and deliver its products was 48/100ths of 1% of the total United States energy demand, and that the 48/100ths of 1% could be reduced by 40% if there were a total conversion to returnable containers (Hannon Exhibit 1, pp. 9-10; T. 1091-92). Earlier versions of Hannon's report had stated that the savings would be 55%, and that the energy used was only 34/100ths of 1% of the U. S. energy demand (see McNabb Exhibit 1, p. 10). Hannon has offered no explanation for the different figures and one must question the reliability of any version, including the most recent.

The discrepancies do not result from utilizing figures for different years because in both cases the statements specifically refer to the year 1970. The percentage of error (if it is assumed that the latest figures are the most accurate) is very substantial considering the miniscule amounts of energy which are involved (e.g., the change from 55% to 40% means that Hannon's original figures were off by more than 25%). In spite of this fact, one might be willing to accept such errors or variations in conclusions if the conclusions were stated with some qualifications. But in

each case Professor Hannon has made a flat assertion without qualification:

> "If the beverage industry were converted entirely to returnable containers, the 1970 container system energy, which accounts for thirty-four one hundredths of one percent of the total U. S. energy demand, would be reduced by fifty-five percent."*/

* * *

> "If the beverage industry were converted entirely to returnable containers, the 1970 container system energy, which accounts for 0.48 percent of the total United States energy demand, would be reduced by about 40 percent."**/

Obviously both statements cannot be true. In fact, as the record here shows, neither is.

Three important assumptions necessary to Professor Hannon's conclusions are frequently overlooked. They are: (1) Hannon's calculations all assume that 100% of the containers utilized will be returnable bottles; (2) Hannon's calculations assume that a return rate of 15 trips on all soft drink containers and 19 trips on all beer containers will be obtained; and (3) Hannon's calculations include the energy involved in packaging and delivering milk and assume that milk is also sold only in returnable containers and that a trippage of 33 is obtained on all

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*/ Hannon, "System Energy and Recycling: A Study of the Beverage Industry", CAC Document No. 23, January 5, 1972, p. 43. See also Hannon's testimony at Hearings before the Subcommittee on the Environment of the Committee on Commerce, United States Senate, 92nd Congress, Second Session on S. 1377 and S. 3058, Serial No. 92-60, on March 13, 1972 at p. 290, during which substantially the same statement was repeated.

**/ Hannon Exhibit 1, pp. 9-10.

glass milk containers and a trippage of 50 is obtained on all plastic milk containers (Hannon Exhibit 1).*/

Assuming Professor Hannon's latest figures are correct, it can readily be seen that Professor Berry was correct when he said that the amount of energy involved was "almost miniscule". If the amount of energy used by the whole industry is 48/100ths of 1% of the total United States energy demand, reducing it by 40% would mean a savings of 19/100ths of 1% on a national basis. Since the present proposal would convert only the beer and soft drinks sold in Illinois to a totally returnable system, the savings would only be a small fraction of even that amount. Approximately five percent of the nation's beer and soft drinks are consumed in Illinois (and presumably a similar percentage of the nation's milk is consumed here). Thus we can approximate Hannon's alleged Illinois savings by taking five percent of his national figure. If that is done, it is seen that, even if Hannon is correct in every one of his calculations and even if we could get the extremely high trippage assumed by Hannon on every bottle sold in Illinois in a totally returnable system, the most we are talking about in terms of energy

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*/ While Professor Hannon is characteristically vague in his report as to the basis for his statement, the entire report makes it clear that the alleged energy savings includes savings attributable to the conversion of the milk industry to 100% returnable containers at very high trippage rates. Any doubt on this subject is resolved by examining Professor Hannon's testimony before a Senate Subcommittee in which he said: "I am able to calculate how much energy this country is devoting to containers for, say, beer, pop and milk, and it turns out to be about 0.34 percent of the total energy consumed in 1970. A return to refillable bottles would reduce this energy demand by 55 percent." (Hearings before the Subcommittee on the Environment of the Committee on Commerce, United States Senate, 92nd Congress Second Session on S. 1377 and S. 3058, Serial No. 92-60, March 13, 1972, p. 290). (Emphasis added).

savings is an amount less than 1/100ths of 1% of the U. S. energy demand (National Can et al Exhibit 13).

The errors built into Professor Hannon's assumptions plus other evidence in the record conclusively shows that even the small savings claimed by Hannon would not be achieved.

First, we are dealing here with only beer and soft drinks, not milk. It is not possible to tell from Hannon's published figures how much of the alleged energy savings is attributable to milk. But the elimination of milk from Hannon's calculations would obviously further reduce the alleged savings.

Second, although this regulation would virtually eliminate the can and one-way bottle, some small amount of one-way container business would probably survive.

Third, Hannon has omitted or appears to have omitted from his calculations several factors which would have the effect of reducing the expected savings. These omissions were discussed and pointed out in the testimony of Dr. John McNabb, Professor of Civil Engineering and Engineering Mechanics at Bradley University (T. 3118-20).*/ Although not individually substantial, the combined effect of these omissions is a further reduction in the alleged savings.

Fourth, and probably most important, it is simply unreasonable to expect that the trippage in an all returnable system would be anything near 15 trips for soft drink containers

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*/ Dr. McNabb's background and qualifications are set forth in his resume (McNabb Exhibit 1) and his testimony (T. 3098-99).

and 19 trips for beer containers. This is probably best illustrated in the beer segment of the industry where the most complete figures on trippage are available.

Hannon calculates the break-even point is 3.3 refills for each beer container, i.e., if the trippage falls below 3.3, there will be a net energy loss from a conversion to a returnable system in the beer industry, and it would therefore be better from the point of view of energy consumption to use a one-way container. As Professor McNabb pointed out (T. 3124), the omission of important energy consumptive steps in Hannon's analysis means that the break-even point is in fact higher than 3.3.

However, even if we assume the break-even point is 3.3 trips, the expected trippage for off-premise consumption, which today is largely in one-way containers, would be much lower than 19 and, in fact, could be very close to or even below 3.3 trips. Weinberg testified that the trippage for the off-premise segment of the present returnable beer bottle sales is probably in the range of 4.37 to 5.15 (T. 2508; Weinberg Exhibit 2, p. 24).

Significantly, that trippage is obtained on sales which are predominantly in 24-bottle cases (and thus more likely to be stored and returned than 6-pack or single item purchases). Moreover, those sales are to consumers who are voluntarily selecting the deposit-bearing returnable bottle.

These sales in returnable bottles presently represent only about 8-1/2% of the total off-premise beer sales in Illinois

(Weinberg Exhibit 2, pp. 24-25). If returnable bottles are sold in 6-packs and if all of the off-premise market is converted to returnable bottles so that all of the people who presently purchase cans and one-way bottles are forced to purchase their beer in returnable bottles, it is simply not reasonable to expect that the trippage on that total market will be higher than the trippage currently being obtained on the off-premise case sales of returnable bottles. Even with the slight increase in deposit, it is not reasonable to expect that those people who currently purchase one-way containers and discard them will return returnable bottles at a greater rate than those people who currently select the returnable bottle. The failure to return containers by only a relatively small number of those persons would wipe out all of Hannon's energy savings. For example, if 28.4% of those presently purchasing beer in one-way containers maintain a return rate equal to one-half of the return rate currently maintained by those voluntarily purchasing returnables, the Hannon energy savings would totally disappear (Weinberg Ex. 4, Table B-1; Weinberg letter to PCB, 3/28/73, p. 7).

The trippage on off-premise sales that was received by the leading brewer in the Oregon market, even prior to the Oregon mandatory refund statute, was certainly in the range we are talking about, namely, something less than 4.87 trips (see Weinberg letter to PCB. 3/28/73, p. 7).

Once the trippage of a beer container falls below four trips, even accepting Hannon's figure, the alleged savings disappears and even above four trips the savings is progressively

decreased as the trippage goes down from Hannon's assumed 19 trips.

Fifth, Professor Hannon's studies ignore the fact that money diverted from the beer and soft drink industries will cause energy consumption in other industries. Professor Folk asserted that the imposition of the regulations would cause $71.4 million in consumer spending to be diverted from the beer and soft drink industries to other consumer goods (Folk Ex. 1; T. 297-99). While the evidence indicated that Professor Folk was incorrect in this assertion, other evidence in the record does indicate that the imposition of this regulation is likely to cause consumers to purchase other products or services instead of beer and soft drinks.

Professor Hannon had to acknowledge that the diversion of money from the beer and soft drink industries would cause energy to be consumed in other industries. He also acknowledged that his calculations did not take this into account and that he did not know whether more or less energy would be consumed under these circumstances (T. 1146-49).

In an attempt to repair his testimony on this point, Professor Hannon sent a letter to the Hearing Officer (T. 1291-95) in which he indicated that in 1963 general consumer spending required about 67,690 BTU's per dollar spent. He then stated that a consumer dollar's worth of glassware required 152,660 BTU's and of metalware, 103,100 BTU's, thereby apparently hoping to indicate that it would be better for the consumer to buy the

average of all other goods than it would be for the consumer to buy beer or soft drinks in one-way containers.

But the number of BTU's required to produce a dollar's worth of glassware or metalware is not the significant figure. The significant figure for purposes of this comparison is the number of BTU's it takes to produce and deliver a dollar's worth of packaged beer or soft drinks under the present system. Hannon omits any reference to this figure in his letter, but calculations made possible from figures in his published reports indicate that the energy required to produce a dollar's worth of packaged beer is 24,345 BTU's, which includes not only the energy required to produce the beer and package it, but also to deliver it to the retailer (McNabb Exhibit 1, Table 3).

When that figure is compared to Hannon's 1963 figure of 67,690 BTU's per dollar spent on all consumer goods, or to the 1970 figure of 69,070 BTU's contained in Professor McNabb's report (McNabb Exhibit 1, Table 3), it can be seen that a diversion of money from the beer and soft drink industries to the purchase of other consumer items is likely to produce an increase in energy consumption. In other words, if the consumer has a dollar to spend it is better from an energy-consumption point of view for the consumer to spend that dollar on beer sold in the present containers than it is for the consumer to spend that dollar on the average of all other consumer goods and services.

Hannon's letter to the Hearing Officer provides further evidence of the total unreliability of his testimony and the

figures contained in his reports. In this letter he asserts yet another figure for the alleged energy savings:

> "There was some discussion of the magnitude of the energy savings achieved under a complete nation-wide return to returnables. My calculations show that about 0.48% of the total U. S. energy consumption can be saved under this return." (T. 1291-92).

Previously he had said that the whole beverage industry consumed only 0.48% of the U. S. energy demand, and that the savings would be 40% of that amount, which would be .19% -- not .48% -- of the total energy demand. Now he apparently is asserting that the entire .48% could be saved, which is obviously impossible. Either he is deliberately attempting to mislead the Board or he is careless. In either case, his credibility and the reliability of his conclusions are brought into serious question.

Finally, other deficiencies in the Hannon approach were detailed by Dr. John McNabb, a professor of Civil Engineering and Engineering Mechanics at Bradley University with extensive educational and consulting experience (T. 3098-99), who testified on the energy issue on behalf of the United States Brewers Association (T. 3100). In addition to explaining some of the above-outlined omissions, inconsistencies and shortcomings in the Hannon analysis, Professor McNabb explained that the beverage industry is simply not the place to look for significant savings in energy expenditures (T. 3101-02) because beverage containerization is a relatively small consumer of energy (T. 3101). Professor McNabb also pointed out that Hannon's studies have

been attempts at purely quantitative analysis, i.e. measurements of the amount of energy used in particular systems, and that it is unwise to uncritically accept a singular scale quantity, such as the amount of energy consumed, as a basis for decision-making in beverage containerization policy (T. 3111-12; McNabb Exhibit 1, p. 8).

In addition, Professor McNabb explained that the number of variables involved in the total system make impossible any accurate computation of the energy usage under the present system or the change in usage which would result from the shift to a totally returnable system:

> "A primary factor which makes attempts at overall quantitative analysis such as Hannon's studies subject to question is the fact that predictability is a major problem due to the great number of decision points in the industries involved. For example in 1967 there were 188 breweries, 3403 soft drink bottlers, 300 metal can and glass manufacturers (6), 129,000 grocery stores (7), and 199 million consumers. (8) There is no basis for assuming that the energy required to package a unit of beer is the same in each of these breweries or that the effect of a change would be the same in each brewery. Similarly, there are many variables in the large number of decision points involving the bottlers, the container manufacturers, the grocery stores and the consumers. In short, there are so many variables involved that an accurate quantitative analysis is simply not possible." (McNabb Exhibit 1, pp. 10-11).

All things considered, the alleged energy saving is indeed illusory. But even if it could be expected that an energy savings of the magnitude asserted by Hannon could be

achieved by converting to an all-returnable system, that miniscule savings would certainly not be worth the harm that would otherwise be inflicted by the proposed regulation.

The evidence discussed above shows that the supposed benefits of a totally returnable system simply do not exist. In fact, measured by any criterion, the best system is one which makes available both returnable and one-way containers. Dr. Asbury as much as acknowledged this fact during his cross-examination:

> "Q. If the consumer is not going to take back the container, from the point of view of solid waste cost it is better for that . . . consumer to choose the one-way container isn't it?
>
> "A. I think that is right, yes.
>
> "Q. And if the consumer is not going to take back that container, from the point of view of resource utilization it is better for the consumer to select a one-way container isn't that right?
>
> "A. Yes.
>
> "Q. And from the point of view of the price to the consumer [if] the consumer isn't going to return the container for the deposit, it is better for him to select the one-way container?
>
> "A. Yes, assuming he is going to throw it away." (T. 2236-37).

We know that under any system a substantial number of consumers are going to discard the containers. Under such circumstances it would obviously be better to have one-way

containers available for those consumers:

> "Q. . . . Okay, from the point of view of solid waste the cost, if we assume a certain percentage as much as ten percent of the people are going to throw the containers away, aren't we better off having both containers available to those consumers so that the ones who want to throw them away select the one-way container?
>
> "A. If I understand your question I would say yes, under all the assumptions that went into the question.
>
> "Q. Isn't that also true with respect to resource recovery?
>
> "A. Yes." (T. 2238-39).

Thus the record shows that the best system is the present system because it offers the consumer the choice of both returnable and one-way packages.

B. The Proposed Regulation Will Have Severe Adverse Economic Consequences.

In addition to showing that little or no benefit can be expected to flow from the proposed regulation, the record is replete with evidence showing that the adoption of this regulation will impose great harm not only on industry in and outside of the State of Illinois, but also on employment, on tax revenue, on consumers, and on the economy of the State of Illinois generally. In this section we will outline briefly the facts concerning those dire adverse consequences.

1. The Container Industry.

There is no dispute in this record that the imposition of a mandatory five-cent deposit will have catastrophic

STATEMENT BY

WILLIAM BEREN

THE LEAGUE FOR CONSERVATION LEGISLATION
BEFORE THE JOINT HEARING OF THE
AGRICULTURE & ENVIRONMENT AND COMMERCE INDUSTRY & COMMERCE COMMITTEES
NEW JERSEY GENERAL ASSEMBLY

SOURCE SEPARATION AND BOTTLE BILLS

NOVEMBER 7, 1974

1. INTRODUCTION

The joint committee hearing today has grouped five bills dealing with solid waste from a source separation and waste avoidance perspective. By banning such visible solid waste products such as the flip-top beer can, and by requiring citizen participation in returning garbage to be reused, the bills seek to reduce the amount of waste that we eventually have to dispose of. In addition the bills seek to lessen the demands on our fast diminishing raw materials.

In evaluating these bills, LCL has selected four criteria against which to judge the bills:

1. Will the bill effectively control litter?
2. Will the bill effectively reduce the volume of solid waste we now have to dispose of?
3. What are the economic and energy costs associated with each bill?
4. What, if any are the administrative costs?

In analyzing the bills, I would like to deal with the bottle bill legislation separately from the source separation bills as they pose different problems.

2. NATIONAL PRECEDENTS FOR "BAN THE CAN" LEGISLATION

In both Oregon and Vermont, the only two states currently with such container restrictions, the primary purpose of the bill is to control roadside litter. This is accomplished by requiring deposits on all beverage containers.

The secondary goal of reducing a state's solid waste burden was achieved in Oregon as an indirect byproduct of its law. In Vermont, however, this goal has been enitrely frustrated by the brewers' and bottlers' almost total resistance to the bill. In this respect we must look closely at the Vermont experience. Vermont, like New Jersey, is a physically small, densely populated state. Most of its residents live relatively close to its borders. In contrast Oregon is a physically vast state with a sparse population. It is particularly underpopulated in its immediate border areas. As a result Oregon can be much more independent in its policies than can a State like New Jersey and Vermont. Thus what are poptential loopholes in the Oregon bill loom large in Vermont. Combined with certain compromises in the Vermont bill, these loopholes have rendered the Vermont bill almost worthless, resulting in severe economic disruptions in the Vermont soft drink and beer industries. Oregon on the other hand has had no such disruption and it is basically business as usual there. If New Jersey is to have an effective bottle bill we must be sure to mandate everyone's cooperation and leave no loophole open.

I think it best at this time to briefly summarize the salient points of each law.

Oregon requires a deposit of at least five cents on each beverage container sold in the state, unless a bottle is certified. A certified bottle is standardized and can be used by more than one bottler. The certified bottle carries a minimum deposit of two cents.

The Oregon bill further bans the pull tab or flip top can. Cans that need a can opener and one way bottles are still allowed so long as they carry the five cent minimum deposit, and are redeemed by the retailer. Finally the Oregon bill requires the retailer and distributor to accept bottles and to pay the refund on all the brands he carries.

Vermont on the other hand, merely placed a mandatory deposit on each container. There is no incentive for the use of standardized reusable bottles. Flip-top cans are not banned. The one new thing that the Vermont law provided for was to levy a 1¢ per container tax on nonreturnables until the law took effect, and required the bottler to reimburse the distributors and retailers for the added costs of handling returnables. While the idea was good, what happened was the bottlers used the excuse to raise prices even higher than required, thus pricing themselves out of the market, driving the Vermont consumer out of the State.

In Oregon the results of the bill are encouraging. One way bottles and cans claimed 67.9% of the beer market prior to the passage of the law, and represented 40% of the sales of soft drinks. This has fallen to 5.1% and 9% for the beer and soft drink markets respectively. Return rates are high. Over 90% of beer bottles and 92% of the soft drink returnables are returned. 70% of the cans are being returned. Sales have increased in Oregon, although at a slightly smaller rate than might have occured without the bill. And last but not least, total bottling related jobs have increased rather than decreased.

Vermont's story has been totally opposite. With the exception of one small New York brewer -- Utica Club -- none of the brewers or bottlers have gone to system of refillable containers. As a result their costs are remaining highe and the consumer is refusing to pay the price.

3. SPECIFIC PROPOSALS

Of the four bottle bills before the legislature (A 607 - Kean, A 1191 - Klein, A 1361 - Gladstone, and S 922 - Garramone) LCL feels that each is deficient in terms of the needs of New Jersey. If we had to choose, however, we would support Senator Garramone's bill as coming closest. Rather than analyze each bill for its specific good points and flaws I'd prefer to enumerate the various issues involved and suggest further controls which we believe are necessary if we in New Jersey are to have an effective bill.

3.1 Container Tax

Tom Kean's bill - A 607 - modelled after the Vermont bill, allows for a container tax on one ways. In Vermont, the tax was temporary. In Tom's bill there is no time limit and one ways will continue to be allowed to be sold, with only a small tax that would not discourage many buyers. Although such a tax may raise some needed revenue, it will do nothing to stem either the litter or solid waste flow. LCL therefore does not support this concept.

3.2 Fees to the Retailers

In both the Kean and Klein versions, provision is made for the bottler to reimburse the retailers and distributors for their increased costs of handling the returnables. This seems only fair since the bottler will make money off the returnable system, while the retailers and distributors will lose.

The bottler can avoid paying this fee if he establishes his own redemption center, at least one for every 100,000 people.

Again while we support the concept we do not favor the specific requirements. In Vermont this was tried and what happened was that bottlers raised their prices three times over what they needed to raise the revenue. In Oregon where there is no such requirement, the bottlers have been paying the retailers voluntarily. We believe that much the same thing will happen in New Jersey, and we do not feel that we need written in the law any excuse to raise prices more than necessary. Actually food manufacturers have been doing this for years. We all know about the little coupons we find in our cereals offering 10¢ off the next purchase price. If you read the fine print you will see that grocers are reimbursed the 10¢ plus another 2 or 3 cents handling fee. There is no reason why the same thing could not happen with bottles.

3.3 Redemption Centers

The Klein, Kean and Garramone bills all allow for the establishment of regional redemption centers. If the idea is to discourage the return of bottles, then this is a smashing good idea. However what we are trying to do is to encourage returns, and this will only happen if returning a bottle is made as convenient as possible, ie one stop returns where you bring the bottles back with you on your normal shopping trip. You don't have to go out of your way.

The experience in Oregon shows I believe that returns are based not on the value of the deposit, but on the ease of returning. Two cent certified bottles have the highest rate of return because they can be returned anywhere. There is no difference between return rates of 5 cent bottles as opposed to

ten cent deposits.

What er feel necessary in any law passed is the requirement that retailers, distributors and bottlers be required to accept and pay the refund for any bottle that they sell. In Vermont there has been trouble because some distributors are not picking up the returns and they are causing a sanitary and visual problem at the retailers.

LCL can support redemption centers in one instance only. This would if two or three mom and pop stores in a community combined to establish one regional redemption center for their customers. Small stores do have a space limmitation, and also would be hard pressed to afford the additional staff required. We suggest that the Commissioner of Labor and Industry survey the problem and establish the cut off point where any grocer doing a certain level of business or less would qualify.

3.5 Certification of Standardized Bottles

The use of standardized bottles cuts handling and sorting fees since everyone can use them. In addition it facilitates returns because everyone takes them. We urge the inclusion of a preferential deposit policy that will encourage the use of these bottles. This is currently incorporated into both the Gladstone and Garramone bills.

3.6 Refillables v. Recyclables

Since the aim is to cut down on the amount of solid waste we are producing, we feel that it is essential that the bill finally adopted limit the use of one way containers. We suggst an outright ban on one way bottles that cannot be refilled.

Our studies have indicated that scrap glass is not really valuable and that the market price is exceedingly low. The bottles are much more valuable from a recycling point of view if they remain as bottles instedd of being crushed up for scrap.

Further more,

Further more, as Mr. Oliver's testimony shows, we save energy by reusing rather than recycling. It is also cheaper to the consumer, since packaging gosts are 56% of the total cost of a beverage pakked in a one way container. (Quoted from the Beverage Industry Manual 1973-1974, in Environmental Action, May 25, 1974, p 4.)

3.6 Cans

It is obvious that cans cannot be refilled. Ideally we would like to see them outlawed. However, we realize that this will not happen. Since metal cans have a high recyclable value, we can live with the continued use of cans with three conditions. First, that they carry a refund value of at least 5¢. Second, that pull tabs and other detachable devises be banned. Third, thatbi metal cans be banned.

The Garramone and Gladstone bills both ban cans that do not need a can opener. LCL supports rewriting this to ban cans that have detachable tops. American technology being what it is, a can is being developed that will push in and not pull off. This would effectively solve the litter problem associated with the pull tabs.

What is important to us from a recycling point of view is that the bi-metal can be banned. Bi-metals are essentially a bitch to recycle. It either involves a

costly chemical recycling process of having someone stan around for hours taking the tops off of cans. By banning the bimetal we will be encouraging the use of all steel or all aluminum cans, either of which is easy to recycle. May I add parenthetically here that New Jersey is the home of one of six firms in the entire nation that recycle steel cans, and it is the only such firm on the Northeast. Requiring the recycling of cans will certainly have a beneficial impact on this industry.

4. ECONOMIC EFFECTS

We do support the bottle bill concept. Hopefully the committee will undertake to rewrite all of these bills and come up with a composite that truly meets the needs of New Jersey. While the bottle bill will cause some economic disruption, indications from Oregon are that the total effect will be beneficial at best, harmless at worst. Jobs lost in canning and glass blowing will open up in transportation, bottle filling, washing, and sorting. Throwaways are convenient, but cost more and employ less people. Returnables employ more and cost less, and really are not all that inconvenient if it is made convenient enough to return them. Thus the outcome of a bottle billshould satisfy both labor and the consumer and the environmentalists.

5. SOURCE SEPARATION

So as not to slight the good Assemblymen from the Agriculture and Environment Committee, I would like to say a page or two about Betty Wilson's and Herb Klein's source separation bills.

Basically resource recovery is a young science. It is growing rapidly and new technological advances are being made every day. Flexibility is the key to any resource recovery system we put up today. We do not want to lock the state into a system of resource recovery that is obsolete before it is promulgated. We therefore support Betty Wilson's bill as being more realistic. It gives a community the options it needs to develope their own system of resource recovery, and can easily fit in with future solid waste programs, either the Feldman bill or the upcoming resource recovery program being worked on by the Commissioner.of DEP.

There is more that I could say about resource recovery, particularly about the compatibility of a bottle ban bill with a total resource recovery system. However, I have already used up enough of your time. Ithank you for your patience and will gladly respond to any questions you may have.

NEW JERSEY PUBLIC INTEREST RESEARCH GROUP (NJPIRG)
32 West Lafayette Street, Trenton, New Jersey 08608 (609)393-7474

Testimony of Alice Cohan, Executive Director, New Jersey Public Interest Research Group, before the Joint Hearing of the Agriculture and Environment and Commerce Industry and Commerce Committees on Recycling Programs and Beverage Container Recycling Proposals - November 7, 1974.

Introduction

Good afternoon. I am Alice Cohan, Executive Director of the New Jersey Public Interest Research Group (NJPIRG). NJPIRG is a non-partisan, non-profit, student-funded and student-directed research corporation supported by college students on eight New Jersey campuses. NJPIRG's major areas of concern are land use and transportation, health care, environmental protection, consumer action, race and sex discrimination, corporate responsibility and government operations.

The New Jersey Public Interest Research Group contends that the effective control of solid waste disposal is within the Public Interest of this State. Not only is the concept supported by environmentally minded citizens, but should be supported by the bottlers and brewers as well. In an article entitled, "Oregon: One Year After the 'Bottle Bill'" published in an industry journal, Soft Drink, November '73, it was stated that:

> If nothing else, many soft drink bottlers and brewers in the state - and their container suppliers - seem to be on the unfortunate side of a substantial credibility gap, claiming all along that the law would wreak havoc on their businesses and fail to stop litter. They seem for the most part to have been proven wrong...(although distribution and handling costs have increased)...sales appear to be steady with some bottlers even admitting that sales and profits are better than before the bill was enacted.

Unfortunately, there are people that continue to claim that concern for our environment is too costly. R. T. Wilson, Sr. Vice President of the American Iron and Steel Institute, made the following remarks at the American Management Associa-

tion Seminar on Beverage Packaging concerning the Oregon Bottle Bill:

> Sort-drink companies, packaging, and beer industries in Oregon suffered losses in earnings of 7.2 to 9.2 million dollars... During the first year of operation, consumers also lost $300,000 in unclaimed deposits for beer containers alone. Oregon's soft drink and beer industries had to make capital investments of 6.4 to 8.5 million dollars for new containers and equipment made necessary by the bill. The state's labor force suffered a net loss of 200 plus jobs, worth about $2.4 million in salary. And, the growth of the soft drink and beer industries in Oregon was stopped dead in its tracks. In fact, per capita consumption declined - unheard of!

Both these conflicting views cannot be correct, and PIRG contends that the latter is false. The economic implications of recycling programs and beverage container recycling proposals in fact support such legislation. In my testimony today I will further prove this important point.

Since enactment of the legislation in Oregon, no brewer, soft drink bottler or distributor has gone out of business. One soft drink canning plant was closed amid much fanfare in January 1973; it is now preparing to reopen, however. Although some 142 jobs in the container industry were lost initially, one large supermarket chain estimates that it will add an average of one-and-a-half employees at each store simply to handle returnable bottles.

There has been much speculation as to the effect of the bottle bill on the loss of employment in skilled jobs and the gains in unskilled employment. In the industry sectors considered in the Oregon State University report by Charles M. Gadger and Jack C. Bailes on the "Economic Impact of Oregon's Bottle Bill" the following was found: Container manufacturers have reduced production employment as have contract canners. Soft drink bottlers and brewers have increased production employment due to increases in washing and sterilizing and because bottling is more labor intensive than canning. (A typical example reported by one brewing company showed 2,000

cases per hour being filled on a canning line operated by four employees and 1200 cases per hour being filled on a bottling line operated by 13 people.) Increases in transportation and delivery costs have added to truck driver employment. The increased handling, sorting and storage of returned containers has added to warehouse and handling employment.

In considering the question of the economic impact of an environmentally sound program for dealing with solid waste, we must look more closely at the present situation of our throwaway society. It is PIRG's position that the policy of one-way containers increased the control of the industry by national bottlers by forcing small bottlers out of business and consolidating the industry. Thus another casualty of the throwaway container has been, and continues to be, the small bottler. Although not well publicized in the popular press, the demise of the small bottler has been a primary goal of the proponents of one-way containers. Buying up small franchises, large bottlers, such as Coca-Cola of New York are busily consolidating the soft drink industry under the exclusive territorial franchise system. And it's not just Coke that's thirsty. Companies like Beatrice Foods, Borden, General Tire and Rubber and Westinghouse have been busily acquiring soft drink bottlers. One-way containers are the backbone of these expanded franchisesareas.

N. E. Norton, President of Royal Drown-Dr. Pepper Bottling Co., Corpus Christi, Texas, sees returnables as a way out of this trend toward consolidation. In a letter to the Texas Bottlers Association, he wrote, "The one-way container is the reason the franchise boundaries are crumbling and a return to 100% returanblesbottles would put the local bottler back into a position of strength and security. The one-way container is ecologically unsound, unnecessarily expensive and is not to the best economic interest of the bottler. A total ban on nonreturnable bottles and cans would be the best thing that could happen to the local bottler."

The switch over from returnable, money-back bottles to throwaway containers in the beer industry nationally has been market by a sharp decline in the number of breweries with a consequent loss of jobs and corresponding decline in payrolls. Figures from the U. S. Dept. of Commerce show that the number of breweries in this country dropped from 262 in 1958 to 188 in 1964, a decline of 28.3%. The number of persons employed by breweries dropped from 71,000 in 1958 to 60,500 in 1967, a decline of 15.6%, based on the average wage rate of $8,714 in 1967, the 11,250 job decline amounted to a payroll loss of $97,586,800. Specifically we can examine employment statistics for New Jersey for the malt and soft drink bottling industry. A chart of these statistics is included at the end of my written testimony submitted to the committee. However, let me point out an interesting finding. In 1958 there were 92 bottlers operating in this state; in 1960 the figure was 87 firms; in 1970 there were 65 New Jersey bottlers; and today in 1974 we have only 59 bottlers operating in New Jersey. This represents a loss of 33 firms that went out of business.

It has been my purpose today to try to show that the concept of recycling programs are not only ecologically imperative, but also economically feasible and in fact advantageous. I should like to turn briefly now to my specific recommendations concerning the pending legislation before this committee.

On the issue of the bottle bills, A607, A1191, A1361, PIRG would hope that the committee in its deliberations would also consider S922 sponsored by Sen. Garramone. This bill most closely corresponds with the Oregon Bottle Bill. We concur with the analysis offered by Bill Beren of the League for Conservation Legislation on the specifics of these bills.

Source Separation is another important part of a total solid waste disposal system. PIRG supports A1452 sponsored by Assemblywoman Wilson. We support this bill over A1528

because we feel it is more realistic to offer individual municipalities economic incentives to pass ordinances to create recycling programs rather than mandate such action. Further, PIRG views source separation as an integral part of a total resource recovery system. We anxiously await the DEP's resource recovery system proposal.

In the final analysis, we are asking some members of our society to change their mode of operations in order to accommodate a larger good. But that issue fades when people believe that their economic security is threatened. The hope for bottle bills, and for all environmental legislation, is in helping people realize that the real risk lies not in changing outmoded and wasteful habits, but in adhering to our present throwaway mentality.

Thank you for your attention!

EMPLOYMENT STATISTICS IN NEW JERSEY FOR MALT AND SOFT DRINK BOTTLERS
(Figures are for January, February and March of year given.)

No. of employees	No. of Firms
1958	
6909) 6998) 7013)	11 (malt bottlers)
2549) 2515) 2571)	92 (soft drink bottlers)
1960	
6619) 7087) 7144)	12 (malt bottlers)
2345) 2345) 2413)	87 (soft drink bottlers)
1970	
5314) 5385) 5392)	8 (malt bottlers)
2861) 2971) 2852)	66 (soft drink bottlers)
1974	
3739) 3772) 3724)	10 (malt bottlers)
2621) 2560) 2628)	59 (soft drink bottlers)

TESTIMONY BEFORE

THE NEW JERSEY STATE SENATE

COMMITTEES ON

AGRICULTURE AND ENVIRONMENT

COMMERCE, INDUSTRY AND PROFESSIONS

JOHN J. PESCO
CONTINENTAL CAN COMPANY, INC.

NOVEMBER 7, 1974

My name is John Pesco, Manager of Training, Continental Can Company, Metal Operations, Eastern Area. I am here today to specifically acquaint you with the impact that ban or deposit legislation on beverage containers would have on the Continental Can Company metal container plants and its employees located in the State of New Jersey.

We have four plants involved in manufacturing metal beverage containers in the State of New Jersey--two in Paterson and one each in Wayne and Pennsauken.

Restrictive legislation would jeopardize skilled and rewarding jobs of some 1300 employees in these four plants.

The payroll for these four plant amounts to 17 million dollars annually. This represents a solid contribution to the economic life of the communities in which these plants are located.

The real estate taxes paid by these plants amounts to $700,000 a year.

The payments of state unemployment insurance taxes by these plants amounts to another $200,000 a year.

In addition to the direct impact on our plants and our employees, we have two trucking firms whose sole business is hauling beverage containers to our customers. Their economic life would be adversely affected, as would the lives of their employees.

Many suppliers located in New Jersey from whom our Company buys materials would also lose business. The State would in turn lose the sales tax revenue from these purchases.

The three bills, A-607, A-1191, and A-1361, contain various forms of restrictive legislation which would devastate the beverage can manufacturing business in the State of New Jersey. We, therefore, strongly register our opposition to these bills.

On the other hand, A-1452 is constructive legislation which will lead to the full scale, total recycling of New Jersey's solid waste resources. We hope that your committees feel similarly. A-1528, which has constructive intentions, is not practical.

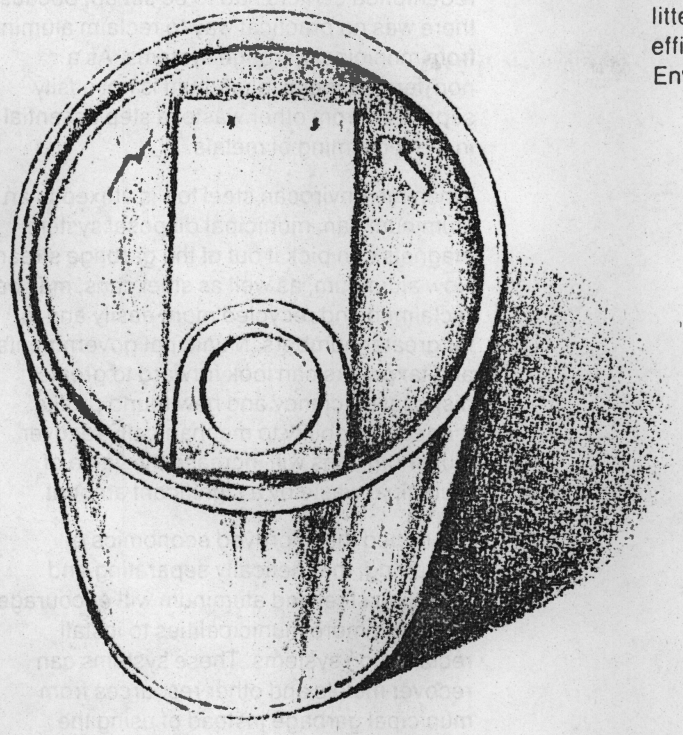
I appreciate the opportunity to share our views with you. If you have any questions, I'll try to answer them.


envirocan

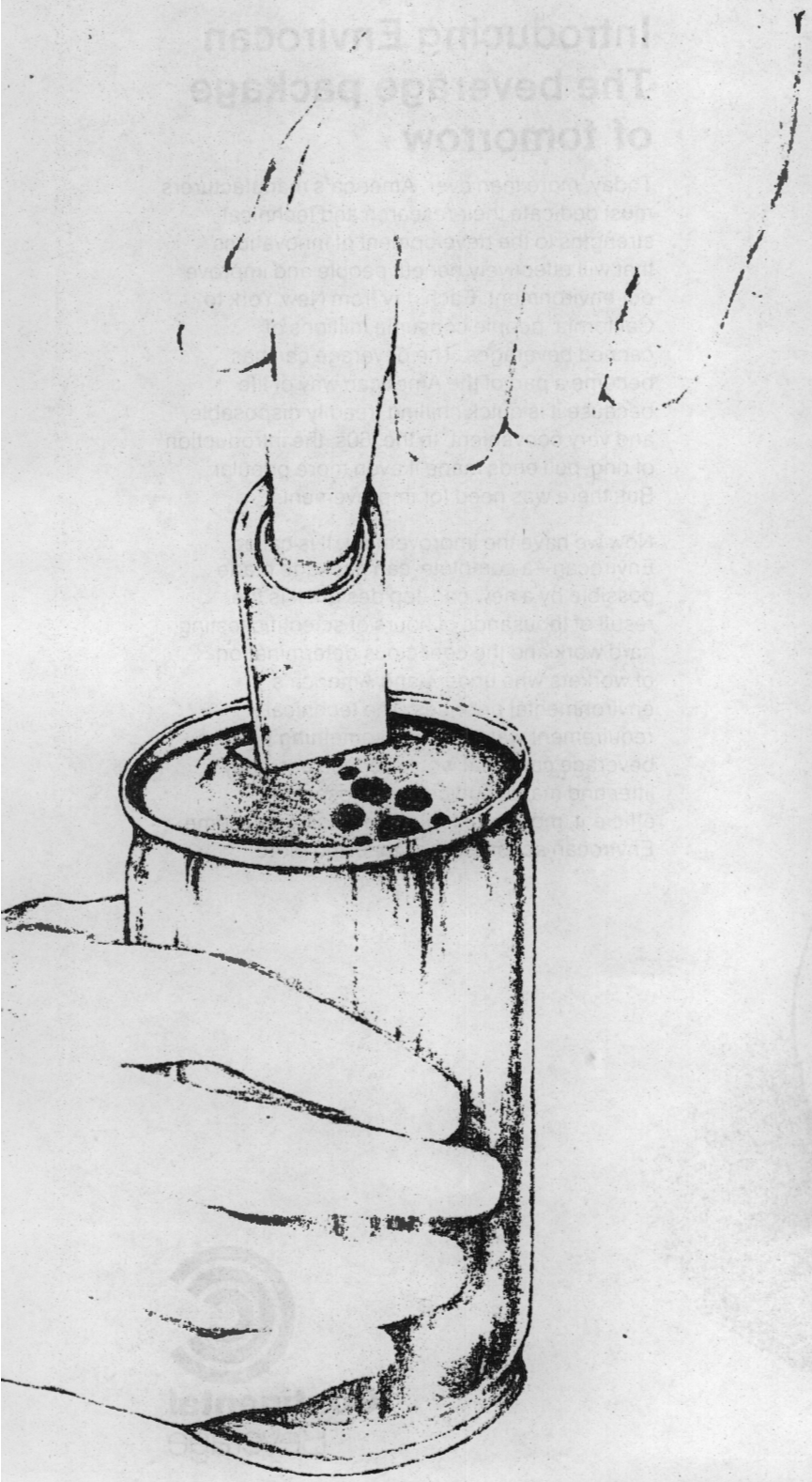
Introducing Envirocan The beverage package of tomorrow

Today, more than ever, America's manufacturers must dedicate their research and technical strengths to the development of innovations that will effectively benefit people and improve our environment. Each day from New York to California, people consume millions of canned beverages. The beverage can has become a part of the American way of life because it is quick chilling, readily disposable, and very convenient. In the '60s, the introduction of ring-pull ends made it even more popular. But, there was need for improvement.

Now we have the improvement. It is called Envirocan—a complete-can package made possible by a new can-top design. It is the result of thousands of hours of scientific testing, hard work and the conscious determination of workers who understand America's environmental priorities. The technical requirement was to create something new for beverage cans that would reduce unsightly litter and make municipal disposal more efficient, more profitable and less troublesome. Envircan accomplishes this, and more!



Continental Beverage



Ecological

Non Detachable

Until now, the convenient ring-pull has been completely detachable. It also created a disposal element that often was both visible and hazardous litter.

Envirocan prevents this problem, because its tab is permanently attached to the can end. After it is pulled open, it remains firmly anchored, eliminating the temptation to thoughtlessly toss it away. This means there will be no more sharp tabs in our parks and on our beaches to cut feet.

The Envirocan top can be made from steel or aluminum. This benefit not only gives the marketer a choice, it provides flexibility of supply in a time of material shortage and the prospect of greater economics from material competition.

Recyclable

The introduction of the aluminum can gave America a lighter weight, quicker cooling beverage container. At the same time, redemption centers had to be set up, because there was no practical way to reclaim aluminum from municipal garbage systems. As a non-ferrous metal, aluminum is not easily separated from other waste, a step essential in the reclaiming of metals.

When the Envirocan steel top is affixed to an aluminum can, municipal disposal system magnets can pick it out of the garbage stream. Now aluminum, as well as steel cans, may be reclaimed and recycled more easily and in far greater numbers. Municipal governments and taxpayers can look forward to greater disposal efficiency and new found profits. Indeed, the ability to mechanically recover aluminum cans will increase the value of municipal waste by a significant amount.

It is hoped the improved economics of shredding, magnetically separating and recycling steel and aluminum will encourage more and more municipalities to install reclamation systems. These systems can recover metals and other resources from municipal garbage instead of using the traditional open dump or landfill.

Safe, Easy and Sanitary

Always A Smooth Edge

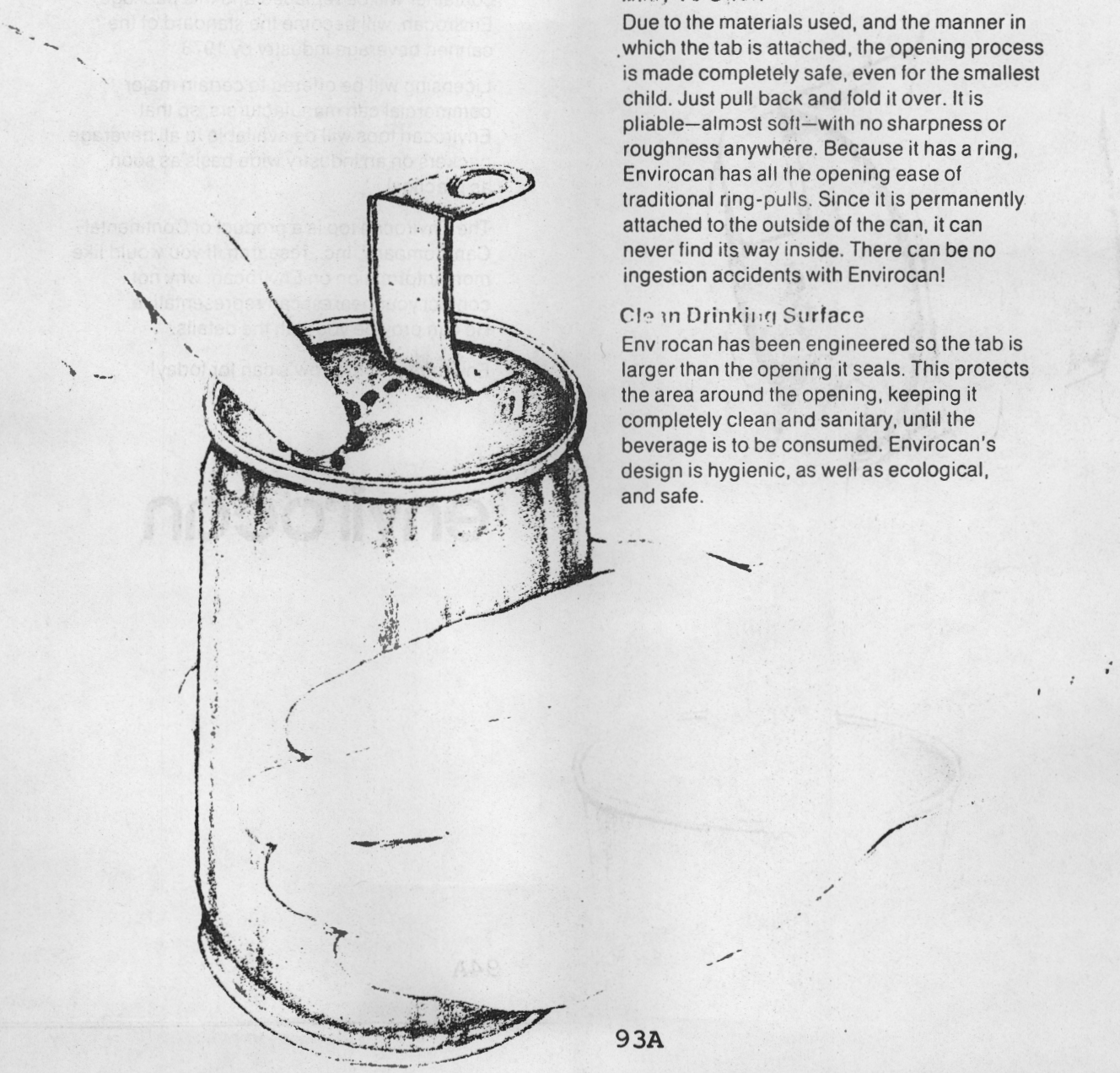
The novel laminated tab is made from the same family of materials used for food pouches in space travel. It adheres to the Envirocan top and covers the opening. Because of the design, there are no sharp edges exposed on the drinking surface, a feature which prevents the possibility of a cut lip or tongue. Underneath the Envirocan tab, there always will be a smooth edge.

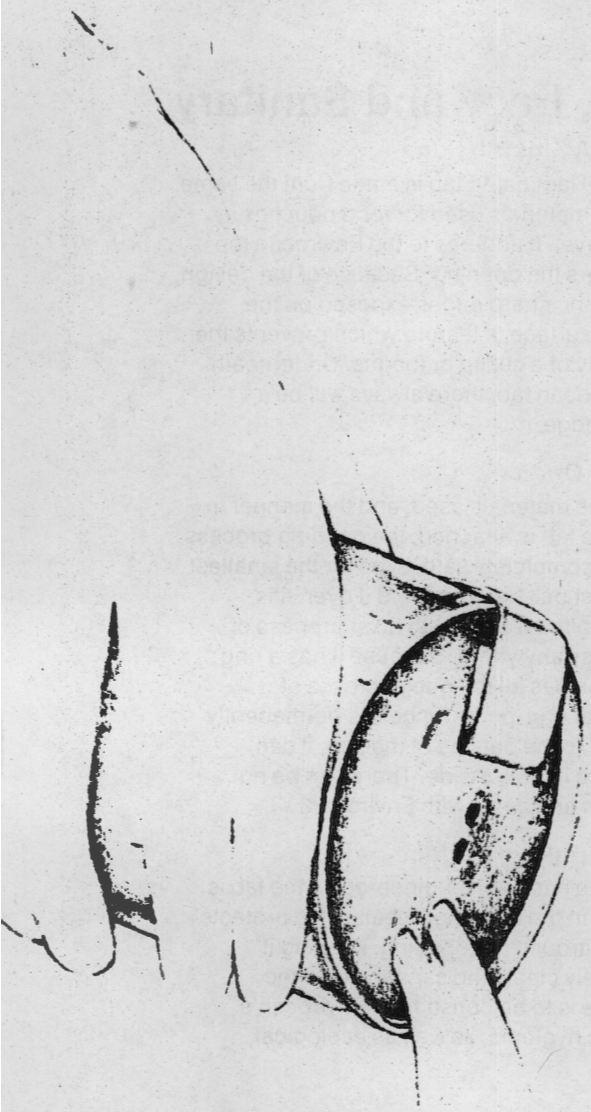
Easy To Open

Due to the materials used, and the manner in which the tab is attached, the opening process is made completely safe, even for the smallest child. Just pull back and fold it over. It is pliable—almost soft—with no sharpness or roughness anywhere. Because it has a ring, Envirocan has all the opening ease of traditional ring-pulls. Since it is permanently attached to the outside of the can, it can never find its way inside. There can be no ingestion accidents with Envirocan!

Clean Drinking Surface

Envirocan has been engineered so the tab is larger than the opening it seals. This protects the area around the opening, keeping it completely clean and sanitary, until the beverage is to be consumed. Envirocan's design is hygienic, as well as ecological, and safe.





Tomorrow's Can For Today

Consumer Preferred

People who have seen and tested it prefer Envirocan equally to the traditional ring-pull. What's more, a remarkable 76% of those surveyed said it was the most environmentally suitable can. 88% said they would buy their favorite brand of beverage in this container.

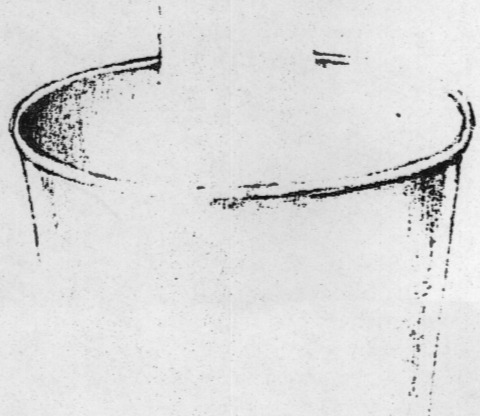
This is Envirocan, the complete beverage package of tomorrow—yet tomorrow is not that far away. By the summer of 1975, this can will be in the marketplace, bringing all its benefits to the American public. For this reason, many feel the present convenience beverage container will be replaced and this package, Envirocan, will become the standard of the canned beverage industry by 1978.

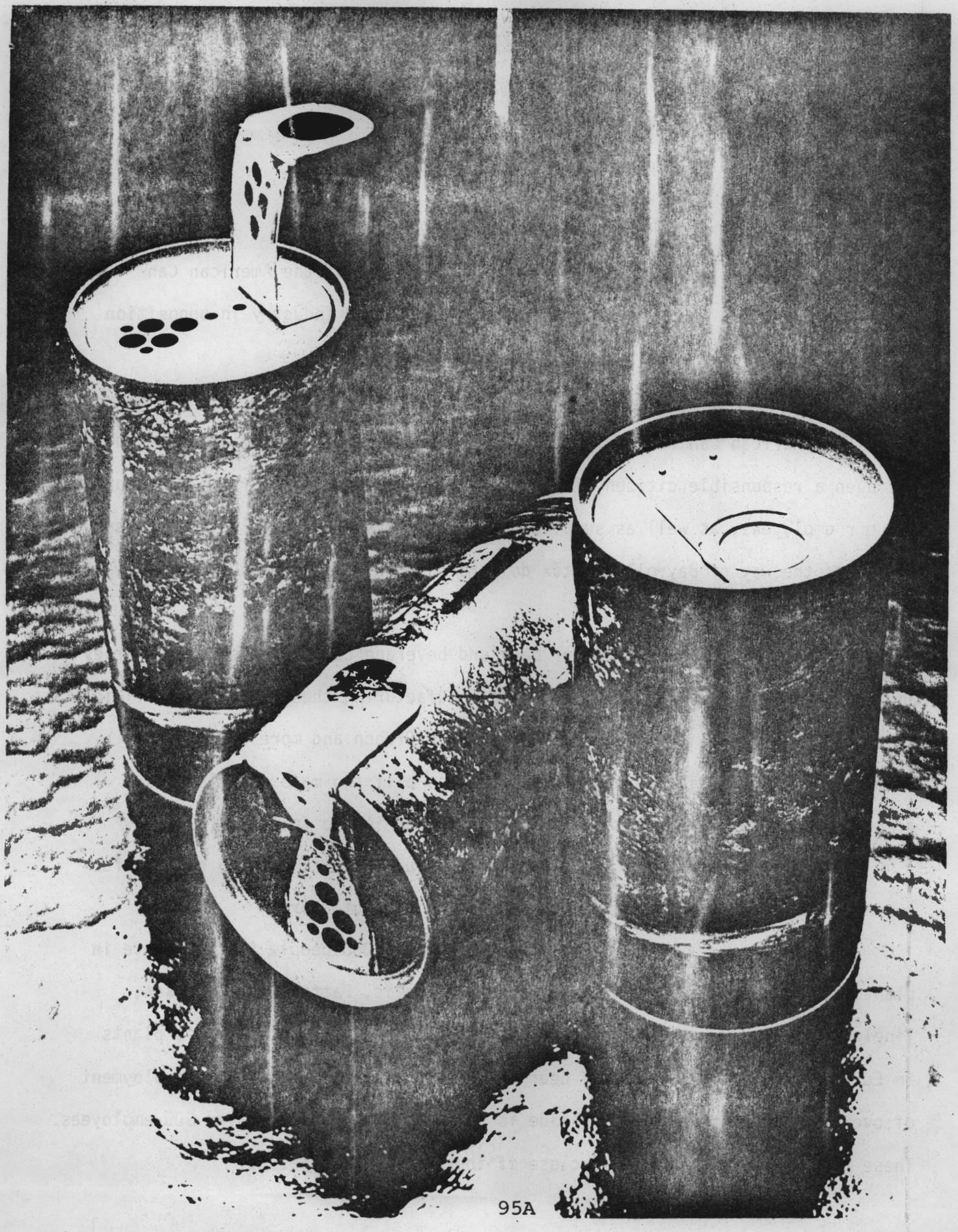
Licensing will be offered to certain major commercial can manufacturers, so that Envirocan tops will be available to all beverage packers on an industry wide basis as soon as practical.

The Envirocan top is a product of Continental Can Company, Inc., research. If you would like more information on Envirocan, why not contact your nearest can representative. He can provide you with the details.

Envirocan—tomorrow's can for today!

envirocan





New Jersey Legislature Hearings

Statement Brief - Agriculture and Environment Committee
Commerce and Labor Committee

Presented by: EVERETT E. FULLER, AMERICAN CAN COMPANY
Appearing as a witness on behalf of the American Can Company and the Can Manufacturing Industry in opposition to Assembly Bills 607, 1191, 1361

The American Can Company, chartered in 1901 as a New Jersey Corporation, has been a responsible citizen of this state for the past 73 years. The Company and our employees, as well as suppliers and customers have contributed substantially in the way of payroll and tax dollars to this state's economy for many years.

These bills would destroy our beer and beverage can business in New Jersey and the jobs of the employees involved in manufacturing these containers. This statement is substantiated by our experience in Oregon and more recently in Vermont where in the first year of that state's bill two major bottlers have discontinued metal cans entirely and more are planning to follow.

Oregon and Vermont are small population, rural states with no can manufacturing facilities. New Jersey is an entirely different story.

The can manufacturing industry employs over 7,000 people in this state in plants located in Edison, Hillside, Hoboken, Passaic, Patterson, Pensauken, Vineland and another under construction in Brunswick. My own company's plants in Edison and Brunswick are 100% beer and beverage can plants with an employment of over 275 and our plant in Hillside is 90% beverage involving over 900 employees. These plants would be forced to close if these bills were passed.

Last year our New Jersey payroll was in excess of $40,000,000 and our employees had withheld over $163,000 in payroll taxes and in addition our plants paid over $1,800,000 in state and local taxes.

Beyond this, the elimination of beverage can volume would seriously affect our Metal and Thermit Company's business, who along with Vulcan represent the state's only current can recycling facilities.

I submit also that these bills limit the consumer's freedom of choice, which has been clearly for non-returnables; and are highly inflationary because they result in higher costs to the consumer. In my own survey of prices in New Hampshire without a law and Vermont with a law,I found beer costing in Vermont 14 cents more for a six-pack plus deposit and carbonated beverage costing 5 cents more. These were purchased in stores well away from the border between the two states. Attached is a copy of the cash register tapes from these purchases.

We in the can industry certainly agree that solid waste disposal and litter present problems to society and this state.

Trying to solve them with bills such as these is not the answer. Industry has already done several things and is making good progress. Recent studies and pilot programs demonstrate that <u>all</u> litter can be reduced.

Our own Company has developed a system of processing and separating solid waste into useful components for recycling and energy generation. It is called Americology and a pilot plant has been in operation right here in New Jersey for over a year. It currently processes a portion of the waste from the town of Elizabeth. A typical plant can process 500 tons of refuse per day which is the equivalent of a city of 200,000 people. Beverage containers are an important part of this refuse.

All of our plants have can collection centers where citizens can bring empty cans for recycling. We stand ready to continue our efforts toward real solutions.

The answer lies not in a piece-meal approach that penalizes our industry and our employees and is highly inflationary; but rather with industry and government working together on solutions to the total problem.

E.E.F.
11/6/74

PRICE DIFFERENTIALS

BEER & BEVERAGE CANS - VERMONT

BEER

6 PAK BUDWEISER
NASHUA, NEW HAMPSHIRE

*0001.55 I

28[illegible]2644 *0001.55 TL

Receipt for
6 pack
Budweiser 1.99
1.99 T
.00 T

S. Hero VT
8/29/74

VERMONT	1.99
LESS DEP.	.30
	1.69
NEW HAMP.	1.55

DIFF - 14¢

BEVERAGE

38 30 1.501
REG 4 7.942
ST 001.1

S 1.25GR
1.25TTL
6 PAK 2.00C-T
PEPSI
1.25ITL
NASHUA, N.H. 1.25TTL
8/30/74 2.00TND
88 CST
.75CHG

THANK YOU

6 PAK PEPSI

*• 0.001.60 T

•I 0.001.60

8/16 30 AM
MALLETS BAY, VERMONT

6 PAK PEPSI 8/30/74

VERMONT	1.60
LESS DEP	30
	1.30
NEW HAMP.	1.25

DIFF 5¢

THE VERMONT BOTTLE BILL "MESS"

VERMONT BOTTLE BILL WILL COST VERMONT CONSUMERS $10,000,000 PER YEAR ($21.00 PER RESIDENT).

PRICES UP 50¢ PER SIX PACK.

NEWS MEDIA BIASED AGAINST PUBLIC IN FAVOR OF POLITICIANS.

PUBLIC UP IN ARMS AGAINST LEGISLATORS AND GOVERNOR: BLAME FOR "MESS" BEING PUT ON THEIR BACKS.

BUSINESS DOWN 35 TO 75 PER CENT.

STATE WILL LOSE $1 TO $3 MILLION IN REVENUE.

PUBLIC OBJECTS TO CHILDREN BEING ENTICED TO ENDANGER THEIR LIVES ALONG HIGHWAYS TO SCROUNGE A 5¢ POP BOTTLE.

EMBALMER CLAIMS DIRTY BOTTLES COULD VERY WELL INCREASE HIS BUSINESS.

Valued Resource . . . *how recycling makes the used can live again.*



and your environment

M&T can make you look good.

For more than 60 years, man has possessed the means to recycle the used tin can. He just hasn't had the motivation except for a short span during World War II. That is not until now when solid waste disposal problems have come to haunt him.

Today people are turning to recycling not only to reduce solid waste but also to conserve valuable resources. Industry groups, such as the Carbonated Beverage Container Manufacturers Association, as well as canners, metals producers, civic, and government organizations are helping by opening can collection centers. From there the cans are sent to recycling plants.

In most recycling processes the tin can is separated into its two components which are steel and tin. The tin is a thin coating only about 1/10,000 of an inch thick that is plated on the steel to guard against rusting and corrosion.

Pictures on these pages trace the route of the used can as it is changed by recycling from "garbage" to a valuable new resource.



1. *The consumer is the starting point for recycling tin cans. Ends and labels are removed, when practical, cans washed clean and flattened, and segregated from rest of garbage.*

2. *Concerned organizations throughout the country perform a public service and earn money by community-wide can collection.*

3. *Can manufacturers, canners and recyclers have set up centrally located collection centers for convenience of consumers.*

4. *Tin cans are then shipped to one of the recycling plants of M&T Chemicals Inc., a subsidiary of American Can Company.*

5. *After the recycling plant shreds the cans the small pieces are placed in an alkaline detinning solution that dissolves the tin coating from the steel.*

6. *The steel scrap is then compressed into bales weighing about 425 pounds. The bales are then shipped to steel mills.*

7. *The tin dissolved in the detinning solution is extracted, melted and poured into molds to form bars of the highest purity tin.*



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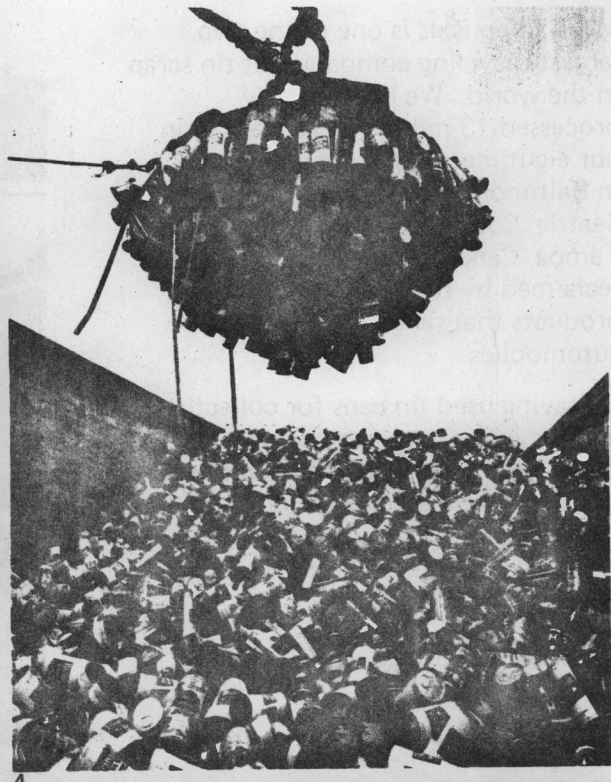

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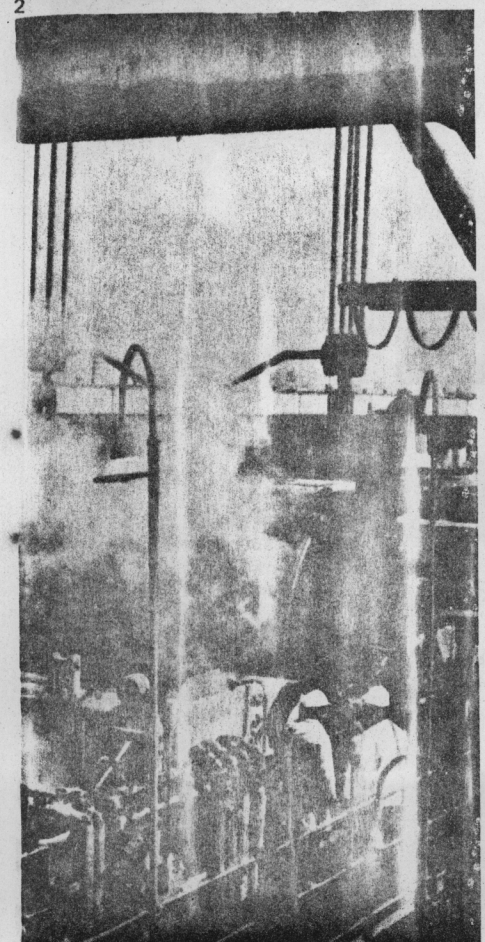

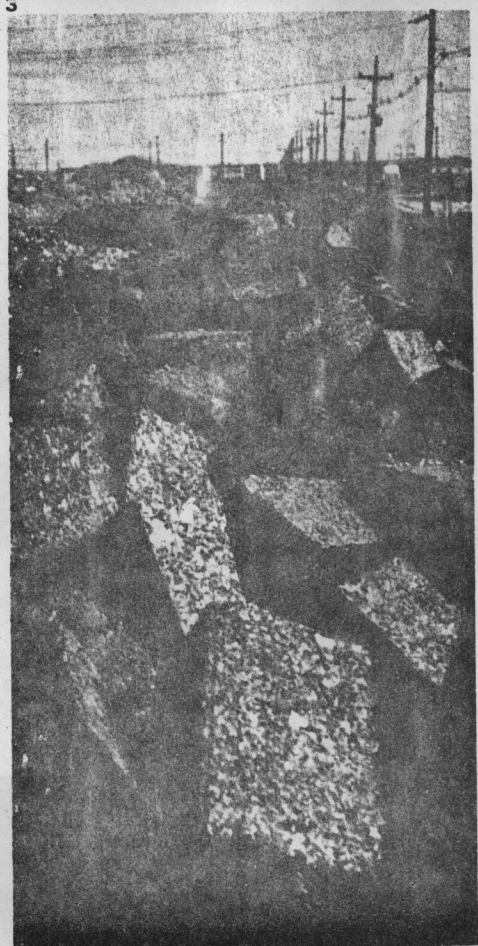



and your environment

M&T can make you look good.

M&T Chemicals is one of the two largest recycling companies of tin scrap in the world. We have already processed 13 million tons of scrap in our eight metals recycling plants in Baltimore, East Chicago, Elizabeth, Seattle, South San Francisco, Tampa, Canada and Australia. Tin reclaimed by recycling provides products that range from solder to automobiles.

By saving used tin cans for collection and recycling, you can help our country with its solid waste disposal problem while saving our natural resources.



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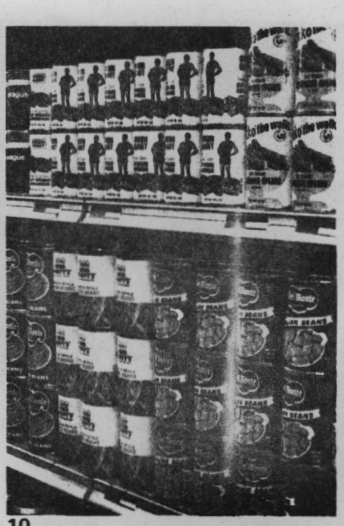

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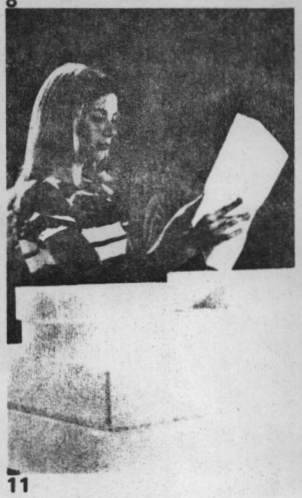

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8. *Shredded steel scrap recovered by recycling is also shipped to copper producers for use in the cementation process for extracting copper from low grade ores.*

9. *Recycled steel scrap is used by steel mills for making new steel.*

10. *Some of the recycled steel and tin finds its way back to market as tin cans to help keep food pure and economical.*

11. *Recycled tin is also converted to tin chemicals used in making urethane foam for pillows, cushions and mattresses.*

12. *M&T's tin chemicals are used in veterinary medicines for producing bountiful and healthful foods.*

M&T Chemicals Inc.
SUBSIDIARY OF AMERICAN CAN COMPANY

EXECUTIVE OFFICES: American Lane, Greenwich, CT 06830
GENERAL OFFICES: Rahway, NJ 07065
PLANTS:

1900 Chesapeake Ave., Fairfield, Baltimore, MD 21226
415 East 151st St., East Chicago, IN 46312
700 Kapkowski Rd., Elizabeth, NJ 07201
6000 West Marginal Way, S.W., Seattle, WA 98106
270 East Grand Ave., South San Francisco, CA 94080
Stannum Street, Tampa, FL 33610

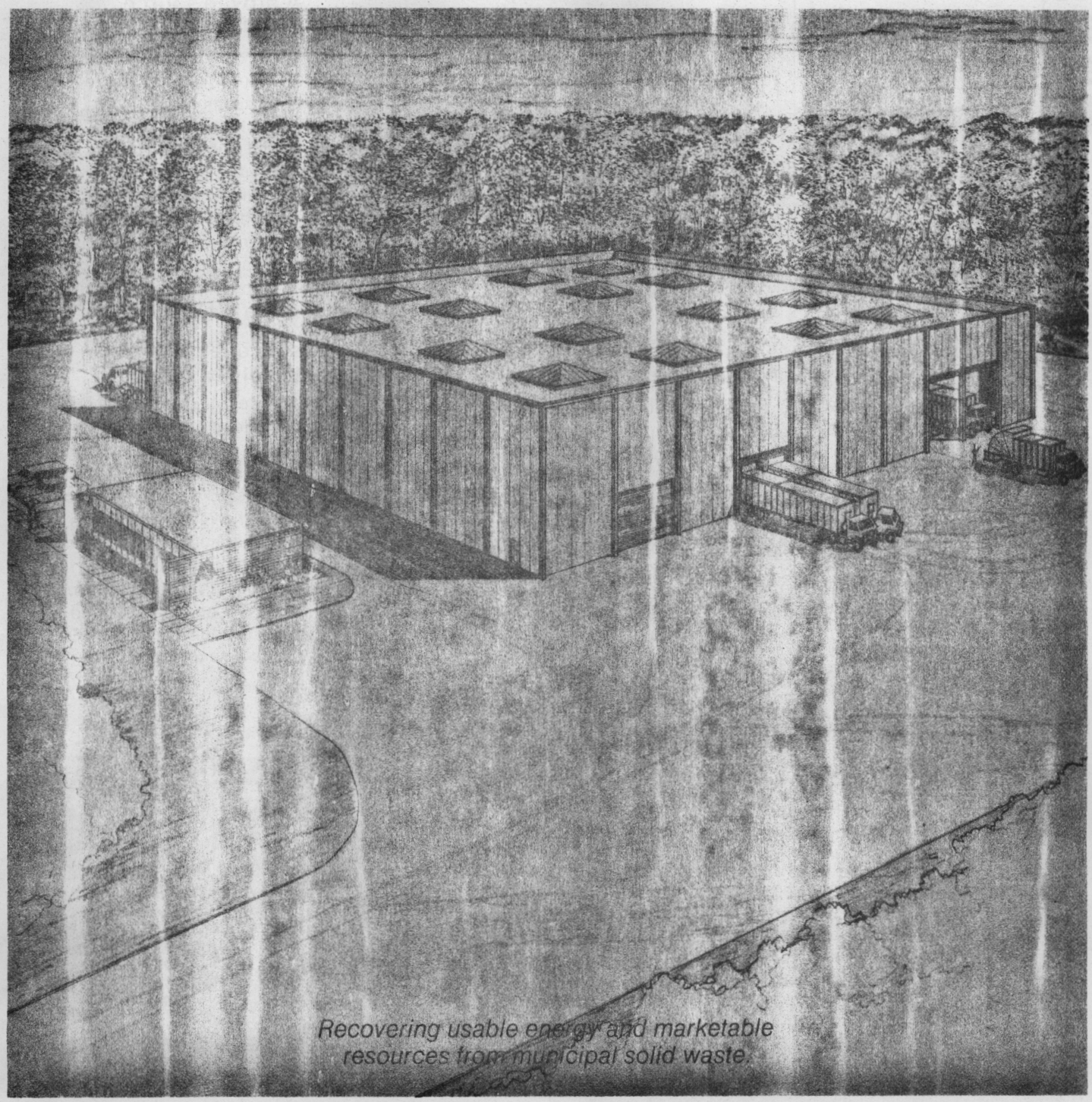
IN AUSTRALIA:
M&T Chemicals (Australia) Pty. Ltd.
Five Islands Road — P.O. Box 42
Unanderra, N.S.W. 2526 Australia

IN CANADA:
M&T Products of Canada Ltd.
Box 3070, Station C
670 Strathearne Ave., North
Hamilton, Ontario, Can.

Americology™

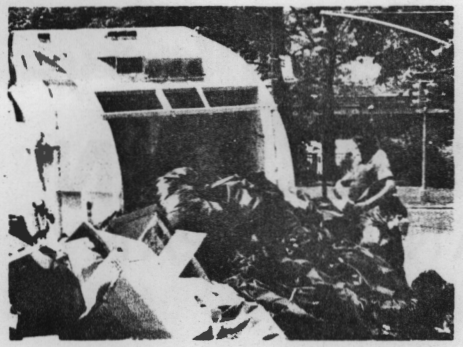
Resource recovery facility by

AMERICAN CAN COMPANY



Recovering usable energy and marketable resources from municipal solid waste.

the resource recovery challenge



The community crisis

One of the most critical problems facing our country today is the growing mountain of refuse produced by every city and suburb in America. It is a problem of staggering proportions.

Consider, for example, that every U.S. citizen produces about a ton of garbage each year. And that every day, the nation generates half-a-million tons of municipal waste. Consider too that as the population of our urban areas grows, the refuse disposal problem grows also.

Indeed, with the costs of refuse collection and disposal rising rapidly, what was once the garbage "problem" has become the garbage crisis for many communities.

Yesterday's solutions

In the face of this crisis, old solutions perfectly adequate for the compact city or town of yesterday are no longer suitable.

- Open pit dumping is dirty, unsightly and a waste of precious land.
- Burning pollutes the air and, where air pollution equipment is required, has become almost prohibitively expensive.
- Sanitary landfill, perhaps the most acceptable solution to date, also has its drawbacks. It can pollute ground and surface waters, it fosters vermin, and it too can cause air pollution problems. Its most serious drawback for sprawling, crowded urban areas, however, is that it requires precious and dwindling space.
- Ocean dumping, at best a partial solution available only to coastal areas, is now recognized as environmentally hazardous.
- Even the community recycling efforts which have sprung up in recent years, while commendable, are relatively insignificant in the face of the monumental proportions of the problem.

The crisis in natural resources

At the same time that the refuse crisis has been developing, the country has had to face other, surprisingly related, problems — the energy shortage and the depletion of our natural resources. According to the U.S. Geological Survey, our known reserves of oil will be used up in ten years, our natural gas in 12 years, uranium in 24 years, and shale oil in 34 years. Our supplies of metal ores are dwindling, too.

Obviously, if we are to maintain our way of life, we must research and develop new sources of energy, and find ways to recover and reuse valuable materials of all kinds.

A proven source of energy and reusable materials

One proven source of energy and reusable materials is municipal refuse. It has been estimated that we throw away between six and eight *billion* dollars a year in energy and materials. This includes over a billion dollars worth of reusable metal and another billion in fuel. In fact, we discard the energy equivalent of 290-million barrels of oil annually. That's more than *half* our yearly oil imports from the Middle East.

Using one problem to solve another

The technology exists *now* to put these two critical problems — our growing mountains of refuse and our dwindling supplies of natural resources — to work solving each other. By literally "mining" our garbage for the valuable materials it contains we can dramatically reduce disposal problems and at the same time return usable resources to our production system. American Can has developed a fully engineered system to achieve this goal. It is called Americology™.



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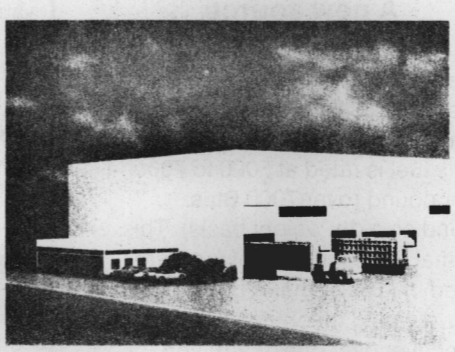
the Americology response



What an Americology facility does

An Americology facility processes the municipal solid waste of a community, selectively retrieving from the waste stream paper; plastics and other light materials; glass; aluminum and other non-ferrous metals, and ferrous metals (for a graphic presentation of the process, see pages 6-7).

In the process, an Americology facility produces a highly combustible product which, when mixed with coal or other fuel, can be burned to produce steam or electricity (for a detailed discussion of the products of Americology, see pages 4-5).

An Americology facility makes up to 80% (by weight) of municipal waste recyclable. With the pyrolysis option (see page 4) it makes nearly *all* refuse reusable.

An Americology facility can be sized to meet your community's needs (see pages 8-9). The basic Americology design is modular and thus easily expandable. Each facility is totally enclosed, with advanced noise, odor and dust controls.

American Can experience

Behind each Americology plant there is the extensive technical and marketing expertise of the American Can Company. An American Can subsidiary, M&T Chemicals Inc., has been a leader for 65 years in the recycling of tin plate scrap and tin cans. M&T processes and sells 400,000 tons of metal scrap every year. Key resource recovery operations such as conveying, shredding, magnetic separation, screening and classification have been used commercially in M&T operations for years.

American Can also operates a 15-ton per hour Americology pilot plant in Elizabeth, New Jersey. This plant (at right) is used for extensive testing of the Americology concept and equipment, as well as for the development of new recovery technology.

Who needs an Americology facility

Not every community needs an Americology facility. In an area where landfill sites are still plentiful and easily accessible, for instance, it would be difficult to justify investment in an Americology facility. Even though landfill lacks the positive social advantages of resource recovery, it is still an economically feasible waste disposal system for many remote areas. However, where landfill is scarce or transportation costs high, an Americology facility could well be the intelligent answer to the refuse problem.

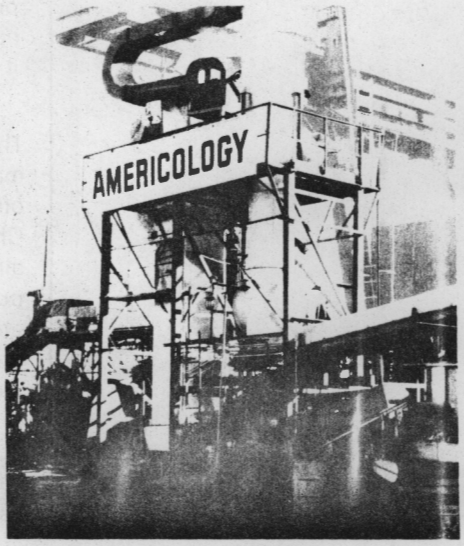
The Americology partnership

What American Can proposes to the community interested in the Americology concept is a partnership of interest. The community would contribute financing and land. Americology would engineer and build the facility. Americology would also contribute skill and know-how in recovery and recycling, and the expert marketing abilities of American Can, a corporation with $2.2 billion in annual sales.

The community would own the plant. Americology would operate it under a lease and have full responsibility for marketing its products. Both the community and Americology would share in the income from the products sold.

Cost reduction, not cost elimination

By making most of municipal waste marketable, an Americology facility can help to offset part of a community's refuse disposal cost. As the value of recovered materials grows, this income can be expected to grow.



the products of Americology

A new source of energy

Fifty to seventy percent of the solid waste processed by an Americology facility can be separated out for use as a low-sulfur fuel. This fuel is rated at 5000 to 7000 Btus per pound (over 7000 Btus per pound on a dry weight basis). This means that if resource recovery were practiced in just the major urban areas of the U.S., it would theoretically be possible to recover over one quadrillion (1,000,000,000,000,000) Btus of energy annually. That's enough energy to light America's homes and offices for a year.

By supplementing oil and coal in energy production, the fuel fraction of Americology will help conserve these vital resources. The City of St. Louis expects to generate 6% of its electric power from burning shredded refuse. Nashville is testing a facility that eventually will mix 720 tons of garbage a day with coal to heat and cool 27 buildings. Similar projects are planned or underway in other cities and states.

A source of valuable materials

In addition to needed energy, there are millions of tons of reusable steel, aluminum and other metals waiting to be recovered from America's solid waste every year. A resource recovery facility can return these valuable materials to the production-distribution cycle of American industry, and help conserve our dwindling supplies of the ores from which these metals are made.

Recycling can also save energy, since reclamation requires only a small fraction of the energy needed for mining and refining virgin metals. Producing a pound of steel from scrap, for example, takes only one-fifth the energy required to produce it from iron ore. Recycled aluminum uses only five percent of the energy it takes to extract the metal from raw ore.

Markets

There is a ready — and growing — market for recovered metals, and for the other products of Americology. The M&T Chemicals Division of American Can has already contracted with Americology to purchase *all* the ferrous metals recovered by an Americology plant. There is an increasing demand for high-grade aluminum scrap. And the clean bundles of newspaper and corrugated material separated out at an Americology facility can be sold to paper processors eager to use waste paper to supplement short supplies of virgin pulp and fiber.

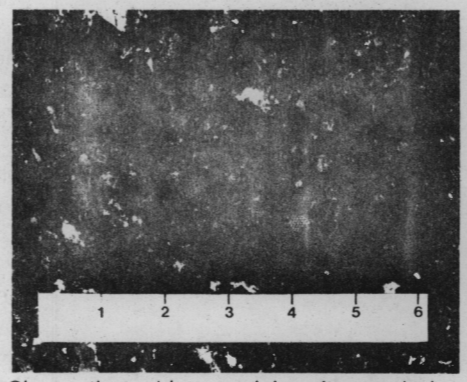
There are also experimental uses of recovered materials which could develop into future markets. Waste glass, for example, has proven itself as an ingredient in long-wearing, skid resistant Glasphalt™ paving. The light fraction, now intended for use as a fuel, may be further processed and used as a fiber source for paper products.

Every Americology facility will have the advantage of a continuing marketing program to locate additional markets for its recovered materials.

The pyrolysis option

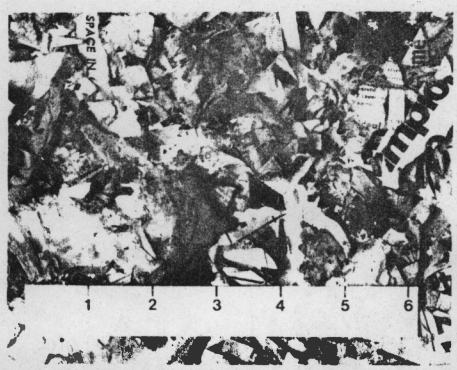
Pyrolysis, a process of chemical decomposition by the application of heat, can convert the residue of an Americology facility into products such as oil, fuel gas and char or ash. It is available as an optional add-on to the standard system.

Without pyrolysis, about 80% (by weight) of solid waste can be recycled. With pyrolysis, 95% or more can be recovered as useful materials or fuel. The Americology process was designed to be open-ended to facilitate the incorporation of the pyrolysis option, if desired, and to incorporate other advanced technology as it is proven and can be made available.



Char — the residue remaining after pyrolysis.

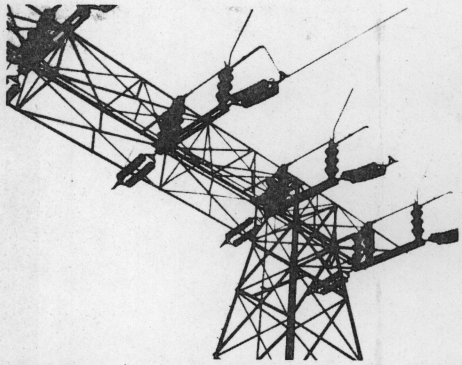
TM: University of Missouri at Rolla



Fuel fraction

The fuel fraction consists of light paper, fiber, plastics and miscellaneous combustibles which are separated out by the Americology patented air classifier, and reshredded. The fuel fraction has an energy value of 5000 to 7000 Btu/pound, with low sulfur and chloride content.

Markets:
Power utilities, cement manufacturers, others who burn it as clean, reliable supplementary fuel.

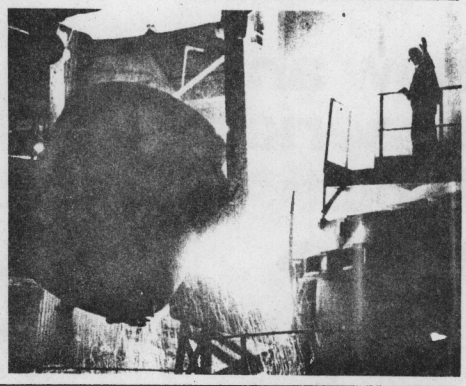


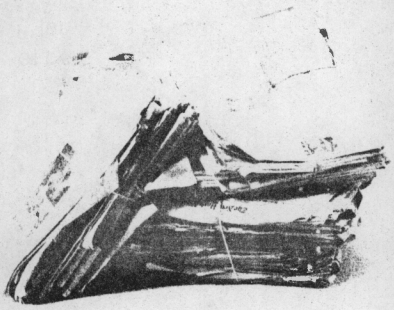


Ferrous metals

Shredded cans, appliances, and other ferrous pieces are magnetically separated from the heavy fraction remaining after air classification.

Markets:
Detinning plants, which reclaim tin, ship high grade scrap to steel mills for remelting. Alternate markets are copper mines and mini-mills casting low-grade reinforcing bars.

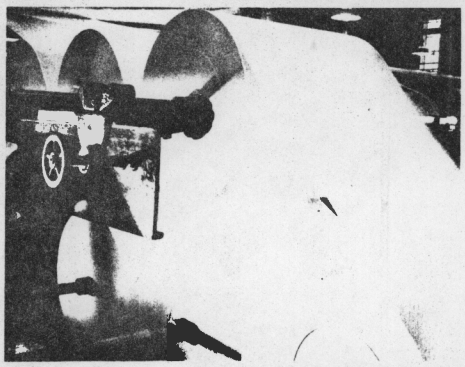


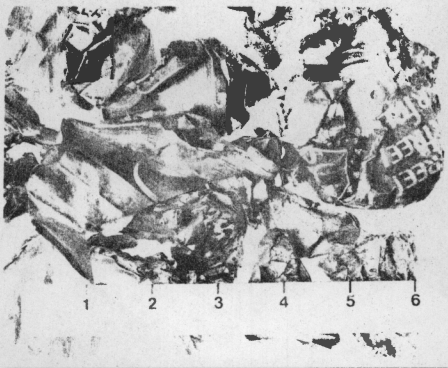


Newspaper and corrugated

Clean bundles of newspaper and corrugated are recovered manually by inspectors. Bundles are then baled or shipped in bulk.

Markets:
Paper mills. Fiber recycling machines at the mills turn the recovered newspaper and corrugated into pulp. Then the pulp is de-inked and made into newsprint, chip board or insulation paneling.

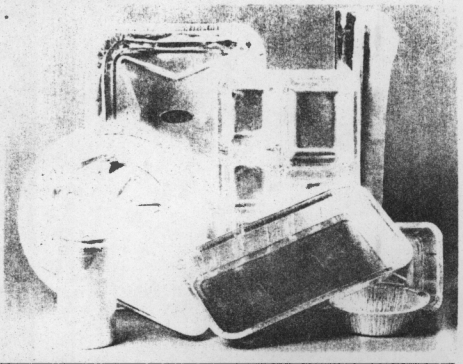


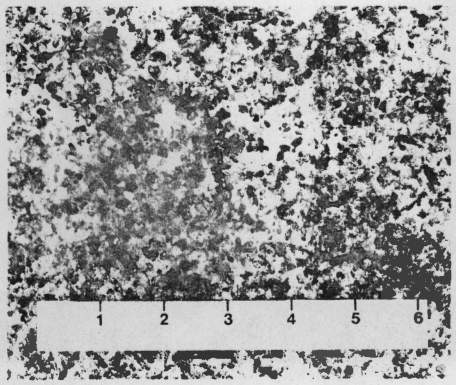


Aluminum

The aluminum fraction — food trays, beverage cans, foil and miscellaneous aluminum items — is electromechanically separated from the heavy fraction.

Markets:
Recovered aluminum goes to primary smelters and aluminum foundries who remelt and cast it into new structural shapes, strip and cans.

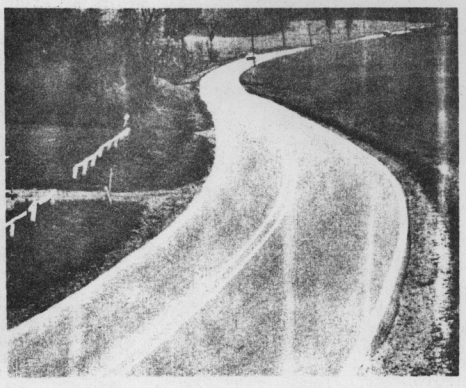




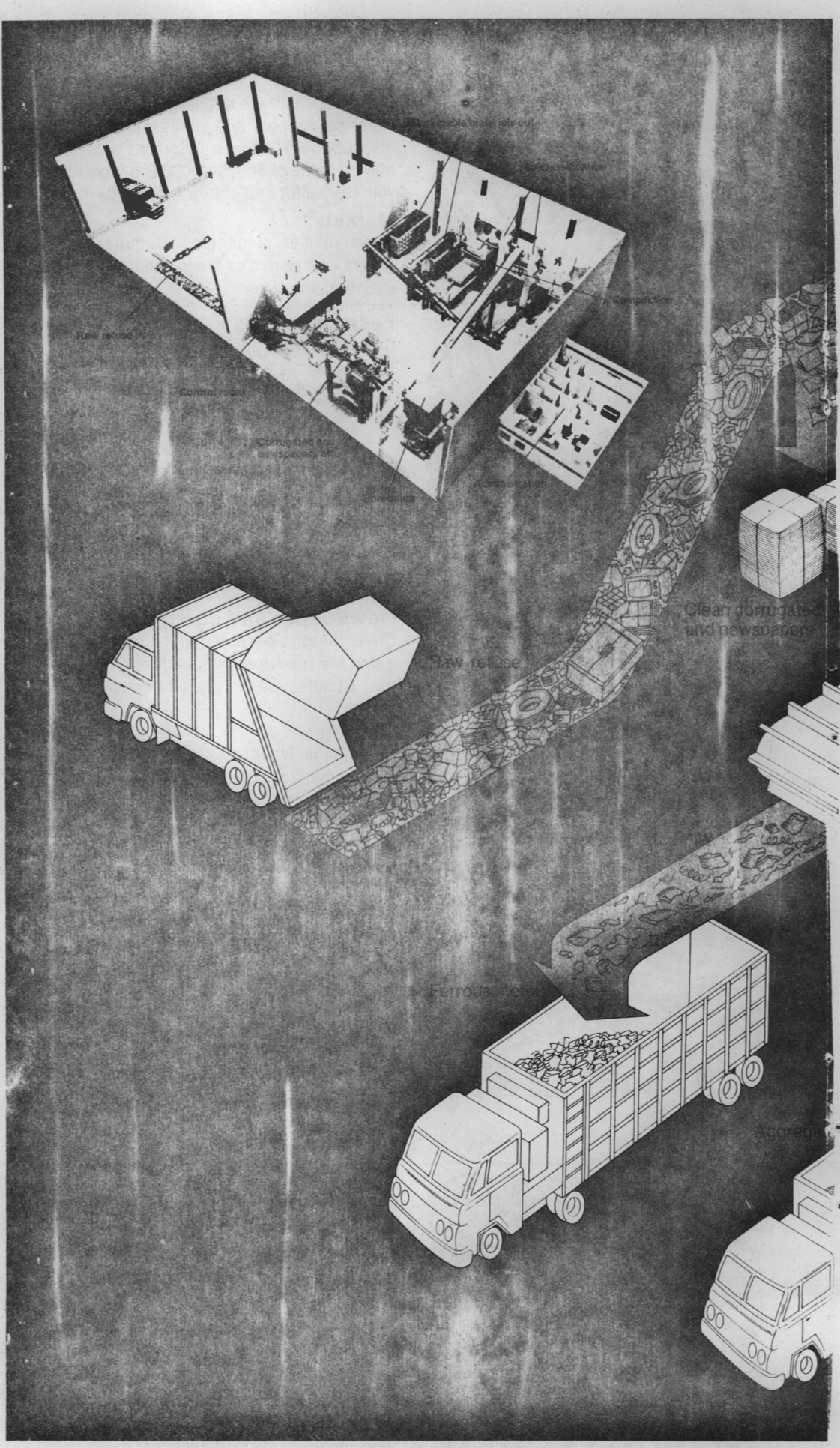
Aggregate

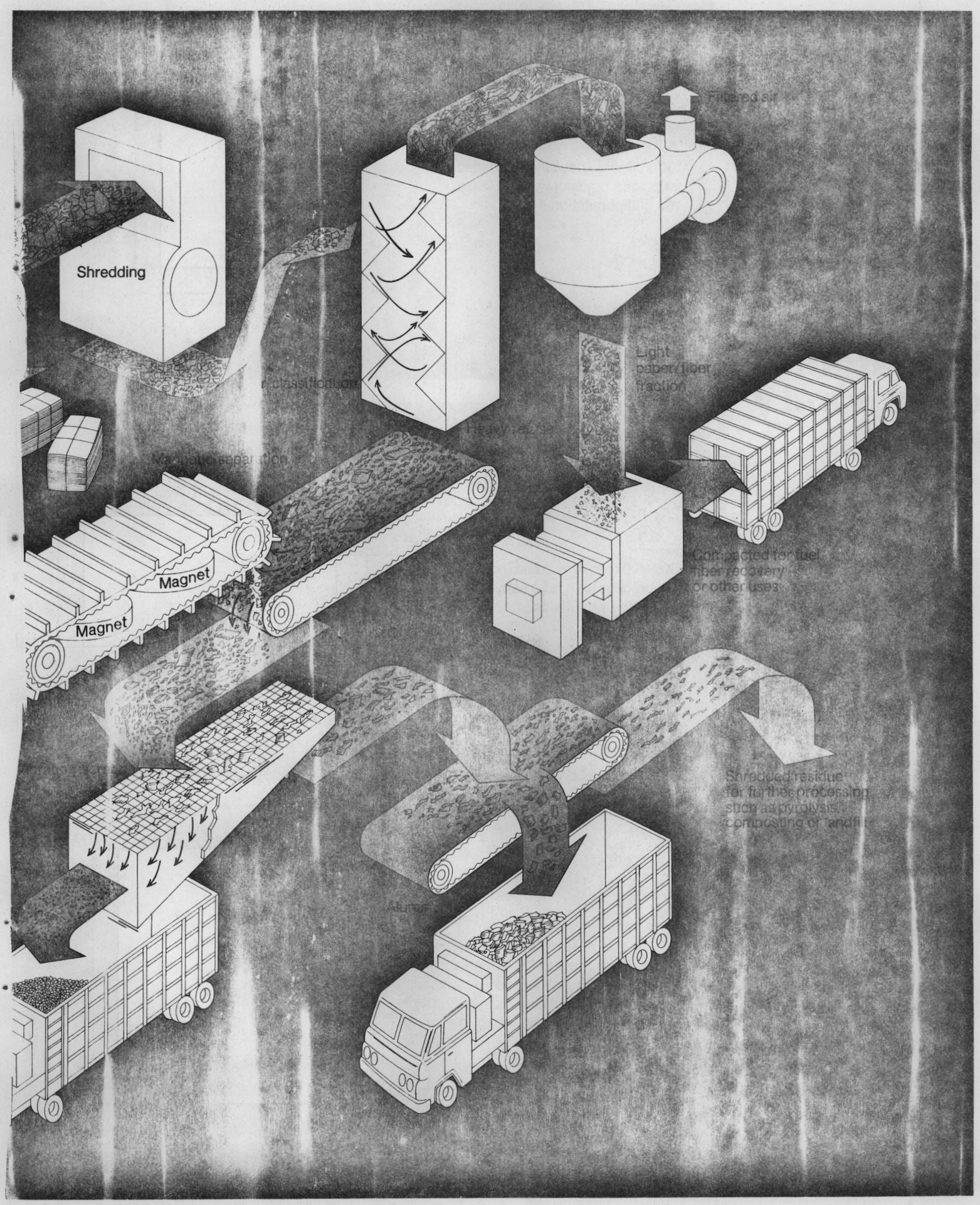
Recovered aggregate — shattered glass, small stones, ceramic pieces — is separated from the heavy fraction by a vibrating screen and further purification processes.

Markets:
Aggregate can be used as a filler in the manufacture of cement blocks. When added to an asphalt base, it has shown good potential in making long-wearing and skid-resistant roads.



how an Americology facility works

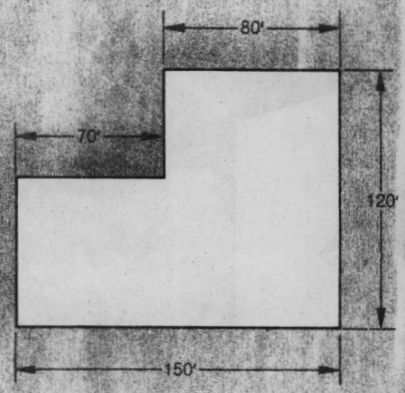



Shredding
Magnet
Magnet

modular design to match community needs

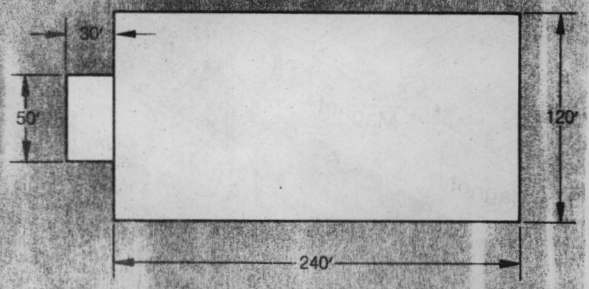
1.

150-250 tons/day single process train, for a community of 50,000 to 100,000 population.



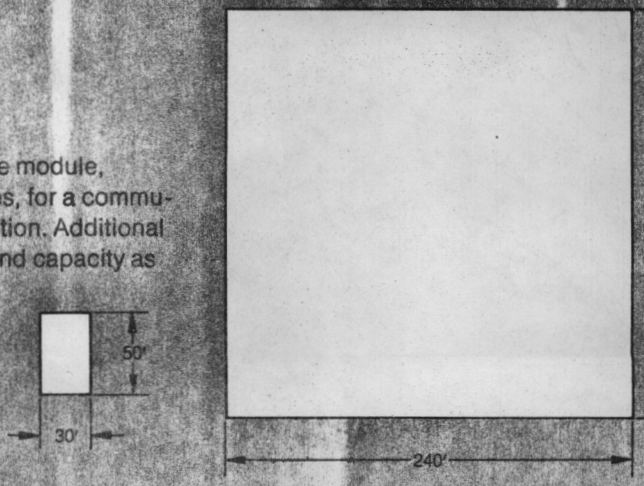
2.

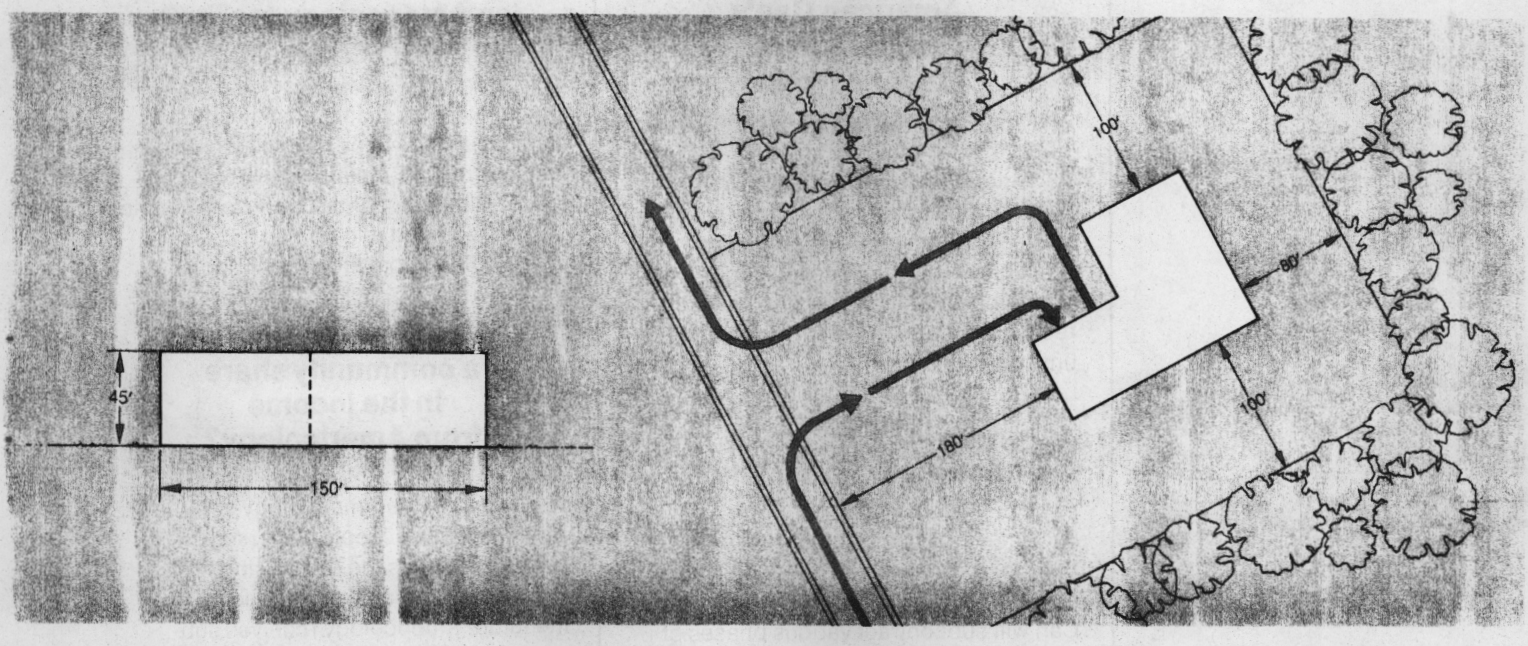
500-700 tons/day basic module single process train for a community of 200,000 + population.



3.

1000 + tons/day multiple module, two or more process lines, for a community of 400,000 + population. Additional basic modules can expand capacity as needed.

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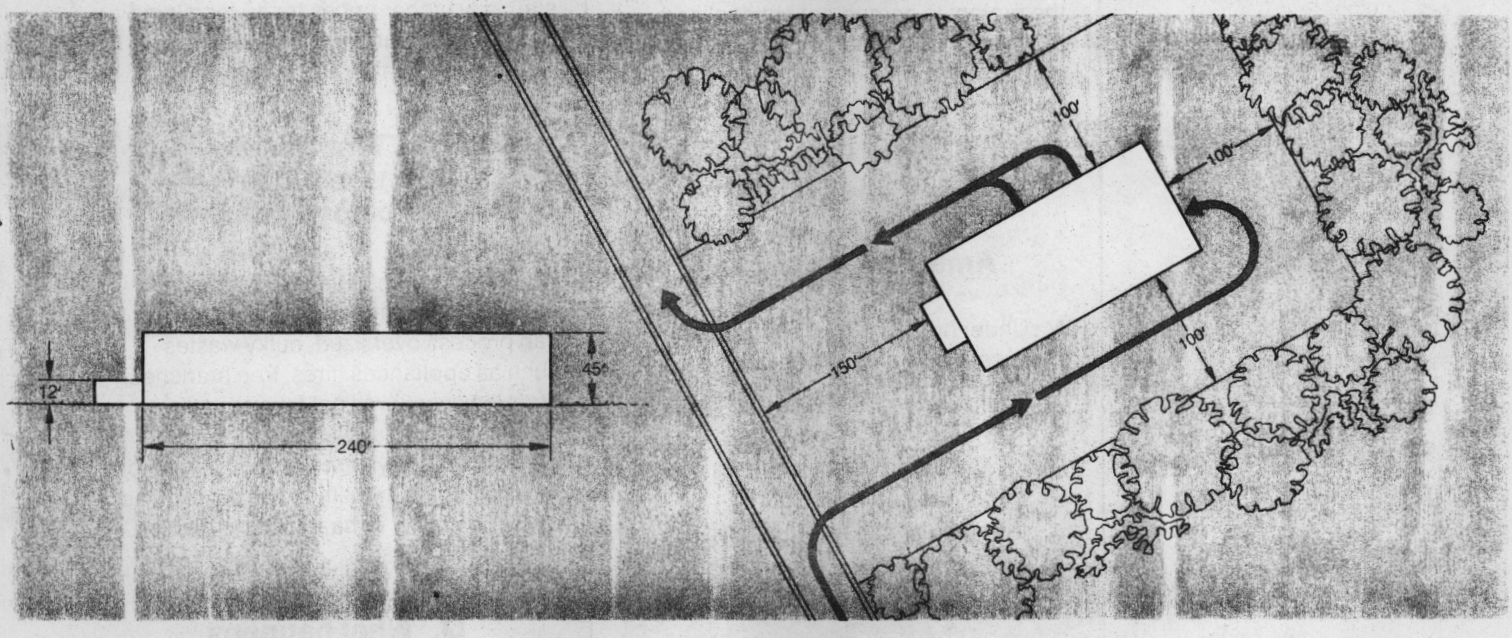
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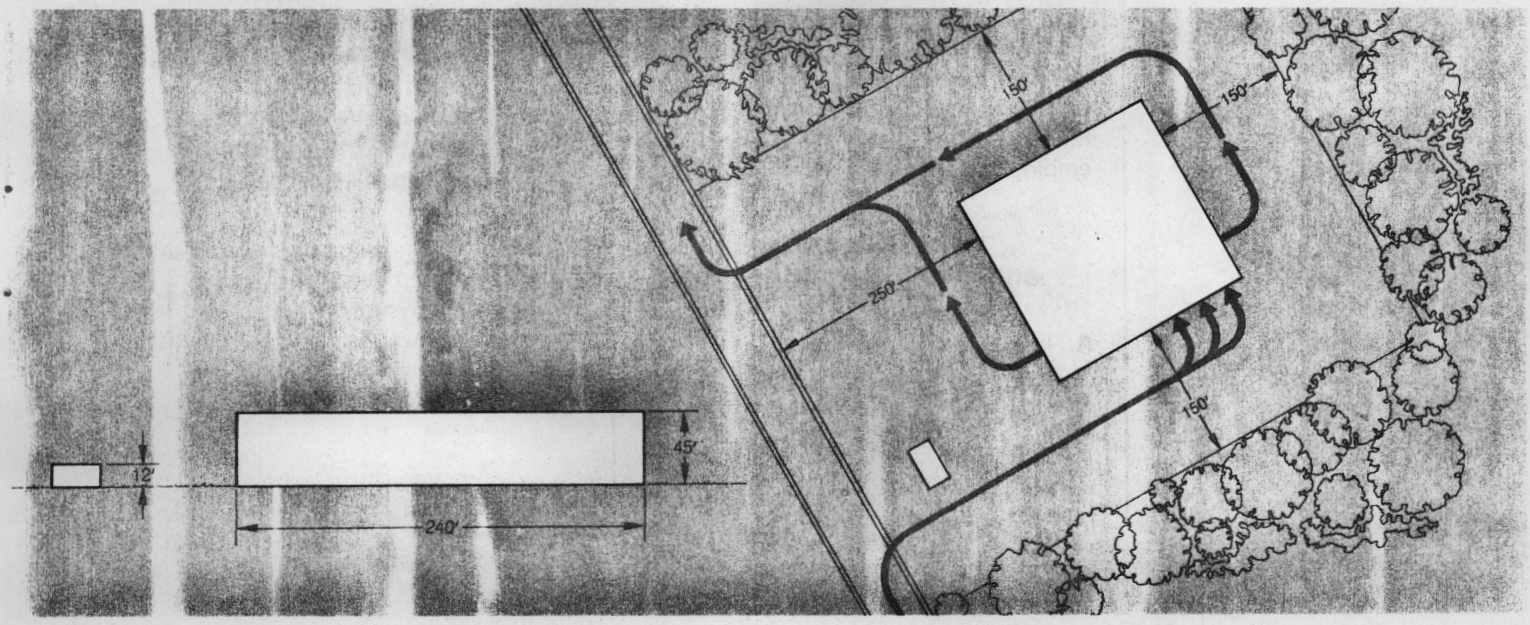
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facts about Americology

Q. What are American Can's obligations under a typical Americology contract?

A. American Can takes full responsibility for disposing of a community's solid waste. This includes designing and erecting a resource recovery facility, operating and managing it, marketing recovered materials, and disposing of unsalable residues.

Q. Who builds an Americology facility?

A. American Can has the sole responsibility for the design, engineering and construction of the facility. American Can will subcontract various phases of the project to competent national and local firms whose qualifications meet our high standards.

Q. How long does it take to build an Americology facility?

A. Under normal circumstances, an Americology facility will be up and in operation within 18-24 months after ground-breaking.

Q. Does an Americology plant conform to state and federal regulations?

A. Definitely. In building and operating the facility, American Can conforms to all state and federal regulations relating to pollution standards, environmental criteria, health and safety codes, and employment practices.

Q. Who owns an Americology facility?

A. In most cases, the community. Americology leases the facility under a long-term agreement which is renegotiable at stated periods.

Americology may also offer to own the facility with options to purchase offered to the community at periodic intervals.

Q. Who operates an Americology facility?

A. American Can will assemble management teams of the most qualified local and national personnel, including those with M&T metals recovery experience. Plant labor and supervisory people will be recruited and trained by Americology from local labor pools.

Q. How does a community share in the income from Americology?

A. As part of the Americology contract, American Can accepts ownership of the refuse and bears the responsibility of marketing the materials produced. If in the future Americology receives substantially higher prices for its recovered materials, an agreed-upon percentage will be passed back to the community.

Q. What kinds of waste can Americology handle?

A. In addition to household and commercial refuse, an Americology facility can process oversized, bulky wastes such as appliances, tires, tree branches, etc. However, it will not take structural steel, heavy metal bars or shafts, concrete, etc. The system is not designed to handle certain industrial wastes, such as oils, chemicals, or hazardous or pathogenic materials.

Q. What happens to the residues of the Americology process, the 10% of the volume left over after reusable materials have been recovered?

A. In most cases, these shredded residues will be used for sanitary landfill. Where the pyrolysis option is chosen, these residues will generate additional fuel and produce a dense char that is inert and sanitary.

the next step

Now that you know the basics of the Americology system, you may be interested in a specific appraisal of whether or not a resource recovery facility is the answer to your city's refuse disposal needs.

1. An Americology survey

Upon invitation, Americology will contract with your community to have a survey made of your region's refuse disposal system. Experts will study the source, type and volume of refuse. They'll study collection routes and distances to disposal areas. They'll make a projection of anticipated refuse output in future years. They'll determine frankly and without bias whether or not your community will be best served by a resource recovery facility, and if so, what type. Should an Americology plant appear to be the answer, they'll look into legal and financial considerations, including the availability of state or federal financing. The study will also examine the kind of permissive legislation needed, as well as the kind of agency or authority best suited to administer the project.

Since American Can Company will operate such a plant when it is completed — and expects to operate it at a profit — the Americology approach to this survey will be distinctly fact-oriented.

2. A detailed report

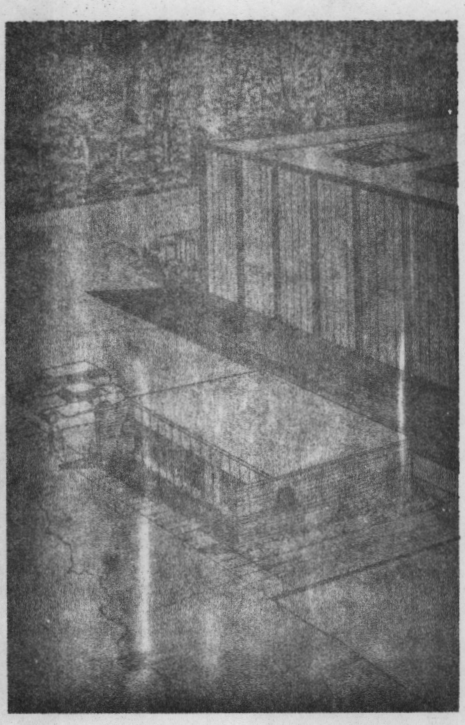
A detailed report on the survey will be submitted to your community. This report will outline community refuse disposal needs, and make recommendations on how best to meet them. Should the investment in an Americology system not be warranted, the report will say so.

Since Americology must charge a fee for the detailed survey and report, there is naturally no obligation to American Can after the report has been submitted.

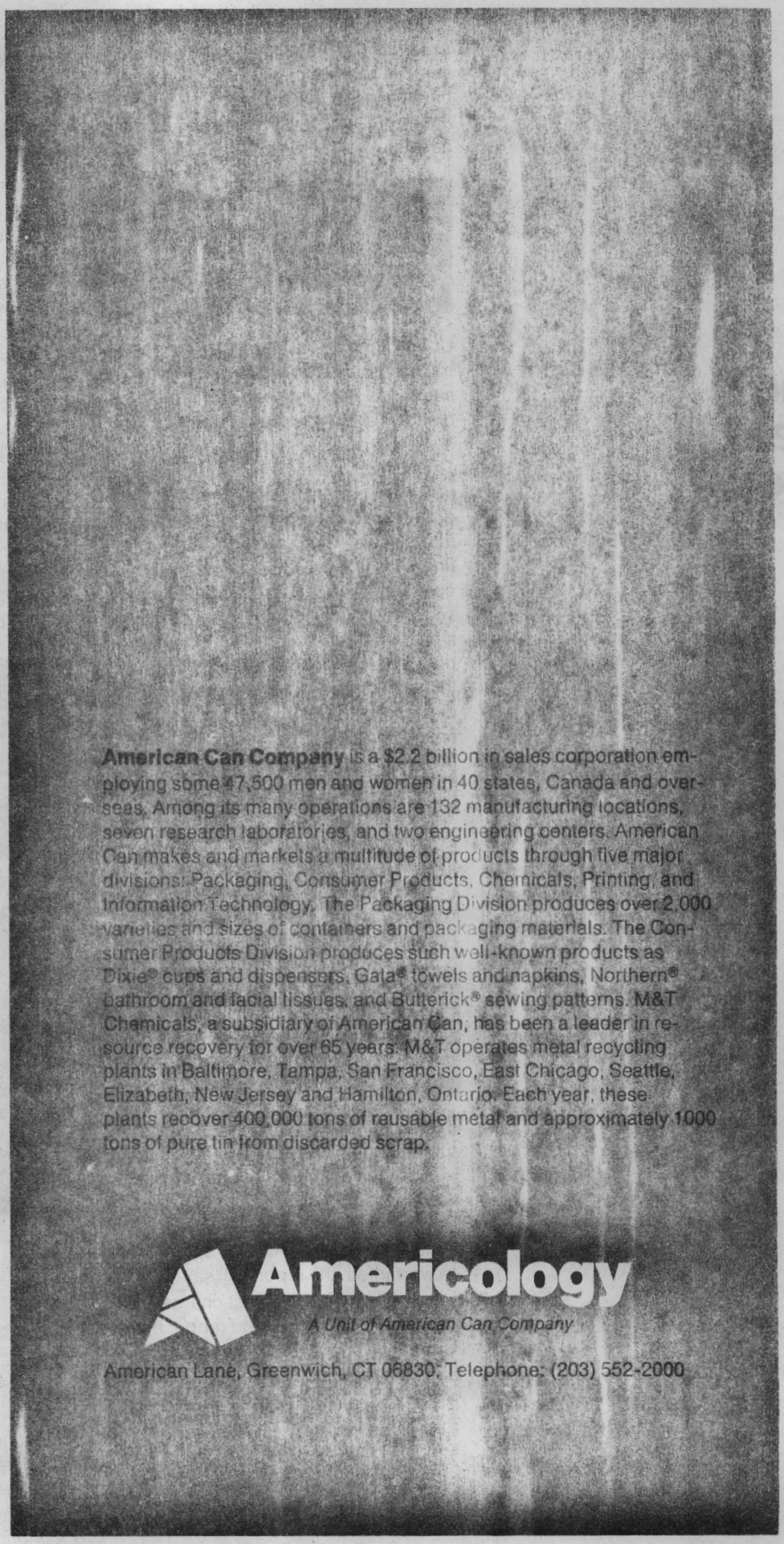
3. Request for Proposals

The next step is up to your community — the preparation of a detailed Request for Proposals. This document should state explicitly what the new refuse disposal system is to do, and how. Experience has shown that this Request for Proposals should be drawn up either by the community's own engineers or by a competent engineering firm with experience in solid waste systems so that important specifications and stipulations will not be overlooked, and the bidding procedure expedited.

Once the Request has been prepared, it should be distributed to those companies, such as Americology, who are capable of undertaking and completing refuse disposal projects of this magnitude.



To find out more about any aspect of Americology, write: Americology, American Can Company, American Lane, Greenwich, Connecticut 06830. Or phone: (203) 552-2000.



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Statement of Lloyd Curtiss
Director of Environmental Affairs
Pepsi-Cola Company
before the

COMMITTEES on AGRICULTURE and ENVIRONMENT;
COMMERCE, INDUSTRY and PROFESSIONS
November 7, 1974

I want to thank the members of these two distinguished Committees for this opportunity to make a statement.

Pepsi-Cola Company is concerned about legislation that restricts the type of packaging to be utilized in our distribution system and takes away the customer's right of free choice in the marketplace. Based on our experience in Oregon and Vermont, we have also found that if you legislate restrictive beverage container laws, such laws eventually increase the cost of beverage products to consumers.

With your permission, I would like to leave several exhibits, which strongly indicate that the restrictive beverage container laws passed in Vermont and in Oregon are not working as smoothly as some of the proponents would lead the public to believe. In fact, in Vermont, soft drink volume is off -27% June/July, 1974, versus the same period a year ago according to figures compiled by a leading national research company.

An article in the Sunday New York Times, October 13, 1974, states that a study made for the State of Oregon "concludes that the ban on throwaway bottles reduced litter as intended but had bad economic effects on the Beverage Industry".

The State of New Jersey and a large number of its residents receive income, wages, and employment from the Beverage Industry; thus, restrictive container

legislation would cause economic harm to a number of people at a time when our State is facing a number of serious economic problems. For example, any plant that cans soft drinks would undoubtedly discontinue production. Every major national soft drink company is represented here in New Jersey and has heavy capital investment in their "manufacturing and distribution" facilities (the latter phrase is a marketing term; however, it translates into people - people who could be hurt by the proposed legislation).

Convenience packaging appears to be what consumers want, and to return to a returnable bottle system would require a tremendous investment on the part of the Beverage Industry, for they would have to invest in returnable glass bottles, not just one or two, but up to eight bottles for each potential customer, build more storage area and require a heavy investment in bottle washers, which cost in the range of a half-million dollars and use tremendous amounts of water in washing bottles.

The types of restrictive legislation you have before you are very hard upon the smaller bottler because of the investment it would require him to make if he could even get the funds at today's high interest rates.

I would also like to leave an exhibit with you which concerns a statement made by Ted Gamble, President, Pepsi-Cola Bottling Company, Portland, Oregon, regarding the high rate of gasoline consumption, which a returnable system requires. Ted said in his statement, which was made February 1, 1974, during the fuel shortage that, "Were the Oregon law to be adopted in other states now,

it would create financial havoc. Bottlers and distributors would be faced with using their fuel allocations for non-productive return trips rather than for distributing their products to their customers." This statement appeared in a Steel Products News Bureau release.

Much has been said about Oregon, and much of it has been confusing. However, one thing I am sure of, there are great differences between the "unique" State of Oregon and the State of New Jersey, (2,200,000 residents vs. 7,400,000).

In his testimony in New York State last February, Arsen Darnay, of the EPA, referred to Oregon and Vermont as "these laboratories." I do not believe we, too, would want to join "these laboratories" in this very expensive experiment.

The Beverage Industry welcomes the opportunity to work with the State of New Jersey and our elected Representatives in positive programs to help solve our solid waste problems. We wish to commend the members of this Committee and the other members of the Assembly on Assembly Bill No. 1452, which offers municipalities the opportunity to deal with the problem of solid waste disposal through the establishment of a strong recycling program.

Please do not lose sight of the fact that bottles and cans make up a very small share of total municipal solid waste. In fact, when bottles and cans are recycled by the municipal solid waste system, their scrap value helps to drive down the cost of solid waste disposal.

In closing, I would like to say that PepsiCo was one of the original founders of the National Center for Resource Recovery, which is a major force in the development of solid waste systems. Donald M. Kendall, PepsiCo's Chairman of the Board, also serves as Chairman of the National Center, whose membership consists of industry, labor, and educational groups.

You may also be interested in knowing the National Center currently is engaged in projects which have been funded by the Environmental Protection Agency. This support says more about the National Center, I believe, than anything I might say.

Thank you for the time and consideration given me today to make this statement before your Committees.

STEEL PRODUCTS NEWS BUREAU

RD AVE., NEW YORK, N.Y. 10017, 212 697-5600/OPERATED FOR AMERICAN IRON AND STEEL INSTITUTE BY PUBLICITY & MARKETING SERVICES DIVISION, HILL AND KNOWLTON, INC.

For Further Information:
Jonathan S. Jessar

FOR IMMEDIATE RELEASE

OREGON BOTTLE BILL CAUSES INCREASE IN GASOLINE CONSUMPTION

PORTLAND, OREGON, Feb. 1 -- Legislators should put their returnable bottle bill legislation "on the back burner" until the petroleum crisis eases, says Ted Gamble, Jr., president of the Pepsi-Cola Bottling Co., Portland, Oregon.

Gamble, who favored the returnable container legislation, notes that gasoline consumption for bottlers, brewers and distributors has increased because of extra truck trips to retail outlets for empty containers.

Gamble noted that the petroleum crisis did not exist in Oregon when the law was passed in 1971, or when it was implemented in October, 1972. He said: "Were the Oregon law to be adopted in other states now, it would create financial havoc. Bottlers and distributors would be faced with using their fuel allocations for non-productive return trips rather than for distributing their products to their customers."

Beer distributor, Steve Tabacchi, president of Valley Beverage, Inc., Salem, reported that the increased number of trips has forced him to add drivers to his force.

"My trucks are on the road longer and use more gasoline," Tabacchi said.

- more -

Although Tabacchi's firm is using substantially more fuel because of the statute, his supplier has cut his allocation by 20 percent. Getting extra gas where and when they can, his drivers spend much time in service station lines. These waits are proving costly to his operation, as well as reducing efficiency.

- 30 -

2/1/74

FACT SHEET

From The
NATIONAL CENTER FOR RESOURCE RECOVERY, INC.
1211 Connecticut Avenue, N.W. Washington, D.C. 20036
202/223-6154

Resource Recovery Systems

As new technology emerges for recovering valuable materials and energy values from mixed refuse, municipal solid waste is being recognized as a vast national resource. Already many new techniques have been, or are being, developed to explore and utilize this new resource.

This fact sheet briefly describes some of these resource recovery systems.

BLACK CLAWSON CO.

The Black Clawson Co. facility in Franklin, Ohio, is one of the most complete resource recovery plants in operation in the United States. With Environmental Protection Agency (EPA) assistance to demonstrate technology, the plant has been recovering paper and metals since the summer of 1971. It currently receives approximately 40 tons of refuse daily, and is designed to process up to 150 tons per day. Incoming refuse is carried directly to the Hydrapulper®, a high-speed rotor which converts pulpable and friable materials into a slurry. Large, heavy ferrous metal objects are removed through magnetic separation, and the slurry is pumped through a liquid cyclone which removes glass, sand and small pieces of metal. It is screened, further cleaned in centrifugal cleaners, and channeled into a primary fiber selector which removes most of the long, chemical fiber. The remaining fibers are sold locally for use in producing roofing felt. Sludge from the screens is conveyed to a fluid-bed reactor for burning. A machine to optically color sort glass has been added to the facility.

UNION ELECTRIC CO.

The City of St. Louis, with a grant from EPA, contracted with the Union Electric Co. to evaluate the burning of prepared refuse with coal to fire a power plant boiler for generating electricity. Union Electric has modified two boilers in its Mermac, Mo., plant which are designed to be tangentially fired with pulverized coal burners and natural gas. Refuse received at a city facility is shredded, then air classified to separate the light from the heavy fraction. A magnetic separator extracts ferrous metals from the heavy fraction for sale. The light fraction is transported to the Mermac plant where it is pneumatically transferred to a storage bin, from which it is taken through four airlocked pneumatic feeders to the four corners of the boiler furnace. Union Electric presently consumes about 300 tons of refuse per day (10 percent of the heat value). Union Electric announced in February, 1974, plans to construct a $70 million system to receive a major portion of refuse from St. Louis and adjoining counties. Scheduled for operation in 1977, the system will recover materials and provide approximately six percent of the fuel requirement.

GARRETT RESEARCH AND DEVELOPMENT CO., INC.

Garrett Research and Development has devised a system which combines front-end recovery with a back-end conversion which produces fuel by pyrolysis. The process requires primary shredding to approximately two inches, air classification, drying, secondary shredding and fine screening to prepare the refuse for pyrolysis. Ferrous metals are removed magnetically, and the glass and non-ferrous components are ground in a rod-mill and screened, to separate a fine glass fraction. Pyrolytic oil—at the rate of about one barrel per ton of "as received" refuse—and char are the main products yielded. In September, 1972, San Diego County, which contracted with Garrett, received an EPA grant to help construct a 200-ton-per-day facility to produce oil and char. The plant, situated in El Cajon, east of San Diego, is scheduled to begin operation in 1975.

MONSANTO ENVIRO-CHEM SYSTEMS, INC.

With a grant from EPA, the City of Baltimore has contracted with Monsanto Enviro-Chem Systems to construct a pyrolytic system called Landgard®. Now under construction, the plant will process 1000 tons of refuse per day. Incoming waste will be shredded, fed from a storage bin to a rotary kiln (slightly inclined so that charred material will fall to a water quenching unit) and pyrolyzed with limited access to air. After extraction of the ferrous metal, the glassy aggregate remaining may be used as road construction material. The off-gases will be cleaned to meet air pollution codes before being admitted to the atmosphere. Plans also include generation of salable steam by waste heat.

NASHVILLE THERMAL TRANSFER CORP.

The City of Nashville has contracted with the nonprofit Nashville Thermal Transfer Corp. to develop a facility which will heat and cool a downtown area in Nashville, using garbage and oil as fuels. Construction of the facility, designed and engineered by I.C. Thomasson & Assoc., began in June, 1972. Solid waste will be delivered to the plant by enclosed trucks and continuously fed by agitating grates into multi-level incinerator-boilers. The plant, scheduled to begin operation in the summer of 1974, will consume 720 tons of solid waste per day, producing 215,000 pounds of steam per hour for use in heating and

for driving two refrigerating units. The steam and chilled water will be piped underground through a four-pipe distribution system (a chilled water supply line, a chilled water return line, a steam feed line and a condensate return line). Where possible, the steam generated will also be used inside the plant. The incinerator ash can be cleaned and used for building block material or be landfilled. More than 30 downtown buildings have contracted for heating and cooling from the plant, with more expected. By 1978, the plant is expected to produce 500,000 pounds of steam per hour.

LINDE DIVISION OF UNION CARBIDE CORP.

Linde has developed a pyrolysis system called Purox® which converts mixed, unshredded waste into a clean fuel gas. The first step involves feeding waste into a vertical tube furnace, followed by ignition of the refuse and injection of a small amount of oxygen. The pyrolysis occurs toward the top of the furnace, but the pyrolyzed refuse eventually drops to the lower combustion zone and the off-gases are taken to a cleaning system. Union Carbide estimates waste reduction by volume of 95-98 percent. The inorganic fraction of refuse becomes a molten slag which is quenched with water to form solid residue (possibly usable as road or roofing aggregate), and the cleaned gases become a low-sulfur fuel suitable for industrial use. A five-ton-per-day pilot plant was operated in Tarrytown, N.Y., and a 200-ton-per-day demonstration plant recently began operation in Charleston, W. Va.

BUREAU OF MINES, U. S. DEPARTMENT OF THE INTERIOR

For several years, the Bureau of Mines has conducted a research program aimed at recovering resources from municipal incinerator residues. An EPA grant was given to Lowell, Mass., for a full-scale demonstration plant (250 tons/day of incinerator residue) using Bureau of Mines technology. The facility, being built by the Raytheon Co., will utilize continuous screening, grinding, magnetic separation, shredding, gravity separation and purification steps to recover iron concentrates, aluminum, copper-zinc mixture, glass and carbonaceous ash tailings. Initial separation utilizes water screens, followed by removal of large ferrous pieces with an electro-magnetic drum separator. Glass will be color-sorted, while a heavy-media seperator will extract aluminum from other non-ferrous metals. The glass at Lowell will be further cleaned by froth-flotation.

COMBUSTION EQUIPMENT ASSOC., INC.

In East Bridgewater, Mass., Combustion Equipment Assoc., Inc., with the North American Incinerator Corp., is responsible for the design, construction and operation of a facility owned by East Bridgewater Assoc. The plant handles 1200 tons per day of municipal solid waste and produces about 600 tons of solid fuel called Eco-Fuel®. The refuse enters the plant on conveyor belts and is shredded and air classified to separate the light combustibles from the ferrous metals, non-ferrous metals and glass. The combustibles are further shredded and sanitized, creating the Eco-Fuel®, which can either be burned immediately or stored for later use. The ferrous metals are extracted for sale and the remaining noncombustibles can be sterilized, creating a fill which might be used in road repair or construction, or further processed for recovery. Combustion Equipment and SCA Services, Inc., plan to construct a plant similar to the East Bridgewater facility in the Philadelphia area. This plant will handle 100-200 tons of refuse per hour and is scheduled to be operational by the end of 1975.

CHICAGO'S NORTHWEST INCINERATOR

This is one of a number of systems, built or proposed, incinerating refuse to generate steam for sale and for in-plant use. It is a modern, water-wall incinerator designed to handle 1600 tons of refuse in a 24-hour operating period. Except for large appliances and other bulky items, refuse is burned in the "as received" state. Larger items are shredded and the ferrous metal magnetically removed. Remaining shredded material, along with the rest of the refuse, is dropped into the feed hopper. Using an hydraulically fed ramp, the combined refuse is fed into the four-burner furnace on stoker grates. These grates, inclined at a 26° angle, produce a downward flow of refuse. Simultaneously, grate bars push the refuse back, creating a tumbling, mixing action. A water-filled ash discharger, located below the stoker grates, quenches the ashes and protects against gas seepage. The resultant hot gases pass through boilers into electrostatic precipitators.

NATIONAL CENTER FOR FOR RESOURCE RECOVERY, INC.

The City of New Orleans and the National Center for Resource Recovery have signed a contract to develop a materials recovery facility to process some 700 tons of mixed refuse a day. NCRR is providing technical assistance to the City in the (1) selection of a contractor to own and operate the facility and dispose of the remaining residues in a prescribed sanitary landfill, (2) monitoring design, construction and operation of the facility and (3) development of markets for the various recovered materials. In the plant operation, mixed refuse will first be shredded; an air classifier will then separate the light and heavy fractions, and ferrous metals will be extracted magnetically. Small particles of mixed glass will be screened out and high-density media tanks will separate the larger pieces of glass and aluminum from the other non-ferrous metals. The aluminum-glass mixture will be separated electrostatically and the glass will be optically color-sorted.

COMBUSTION POWER CO., INC.

With EPA funding, this company is developing a system for converting wastes to electricity. The system, called CPU-400, is being designed to process 400 tons of refuse per day, producing more than 8000 kilowatts of electricity. In this process, mixed refuse will be shredded and air classified, and metals and glass will be separated and removed. The combustible fraction will be delivered to a storage container from which it will be metered by an air-lock feeder into a fluid-bed combustor, where it will be burned under controlled high pressure to produce hot gases. These gases will later pass through cleaning devices and into the gas turbine driving the generator. A 100-ton-per-day pilot plant is presently operating in Menlo Park, Calif., as part of the final system development stages.

GRUMMAN ECOSYSTEMS CORP.

Scientific Ecology, Inc., a subsidiary of Grumman Ecosystems Corp., is marketing in the U.S. the "Selectomatic Commest" recycling system. Recently, the firm's Italian parent company designed and constructed a 200-per-day plant in Perugia, Italy. An initial plant in Rome is now handling 1200 tons per day. From mixed refuse, the process separates paper, cardboard, metal, glass and organics with the aid of vibrating air selection, magnetic separation and ultrasonic separation equipment.

National Center publications are printed on recycled material

We've also found that newspapers are the easiest component to start with because people generally keep them separate until its time to discard them. Other components such as corrugated boxes or glass containers could be phased in later.

In conclusion, we feel municipal recycling will have a substantial positive impact on the paper recycling industry and this bill could be a contributing factor. We appreciate the opportunity to testify at this hearing.

James W. Goetz
Eastern Region Director,
Paper Stock Procurement
Garden State Paper Co.
39 Hudson St.
Hackensack, N.J. 07601
201-488-0686

JWG:cjc

CONSERVATION FORUM:

Plea for recycling. Russell E. Train, administrator of the Environmental Protection Agency, in a recent letter to Chief Scout Executive Alden G. Barber appealed to the BSA to get more involved in recycling. "Substantial percentages of the major materials needed by our economy could be met through the recycling of solid wastes generated in urban areas.

"The Boy Scouts of America is in a unique position to help significantly through the recycling and energy conservation phases of your Project SOAR (Save Our American Resources). A widespread public education and action program, especially in wastepaper collection, would be very much in the public interest. I am pleased that a number of troops and packs are already engaged in this important activity. I urge that many more become similarly involved."

Red Letter Day. Mark April 26, 1975, as Scouting Environment Day. Major projects will center around recycling and energy conservation. Units will alert the public to the continued need for energy conservation. In this regard, we might all keep in mind that energy can be saved by the wise recycling of paper, metal and glass.

Johnny Horizon. Add the symbol of the Department of the Interior's ecology protection program to an awareness of our nation's Bicentennial and you have Johnny Horizon '76. Johnny, a rugged-looking cartoon character, suggests these measures to help keep Scout units alert to improving our environment:

- Use scrap paper. Remember many letters have a blank reverse side.
- Donate old magazines, books, clothing to such groups as the Salvation Army and Good Will Industries.
- Make — and use — litterbags.
- Leave parks and camping grounds as you would like to find them.
- Put up a purple martin house in your yard — and stop using insecticides. (Purple martins each day eat their weight in mosquitoes.)
- Write your Congressman so he will know how you stand on bills affecting the environment.
- Invite an environmental expert to speak before your pack, troop or post.
- Organize a clean-up campaign for your neighborhood.

Dry well the prospect? In the *Olin Magazine* it is estimated that there are these fuel reserves left in the United States: 366 years of coal, 34 years of shale oil, 24 years of uranium, 12 years of natural gas and 10½ years of oil.

Do your part. As adults we can do much to try to save energy. Here's a partial list:

- Drive at less than the speed limit. Five miles under the limit is a good beginning and saves gas and money.
- Turn off car motor when parked.
- Check hot water heater for efficiency. Develop a list of ways to save on use of hot water in the home.
- Have home heating plant checked regularly for efficiency. Set home heating thermostat to 67.5 degrees. This saves fuel and 15 percent or more of the heating bill.
- Shut heating registers or radiators and close doors to little used rooms.
- Place lower wattage bulbs in fixtures not used for reading.
- Turn off lights, TV, radio when you're not using them.
- When purchasing new light fixtures which will not be constantly shut off and on, consider fluorescent lighting. It gives more light, uses less energy and lasts 10 times longer than light bulbs.
- Use clothes washer, drier, dishwasher with full loads, at off-peak periods such as evenings.
- Routinely vacuum dust from refrigerator coils in back. Set refrigerator temperature at 37 degrees and freezer at zero degrees.
- Weather-strip and caulk around windows and doors to prevent heat loss.
- Insulate ceilings, walls, attic heating ducts and hot water pipes against heat loss.
- Do not block heating vents with pieces of furniture.
- Eliminate decorative, outside, holiday lighting. Use indoor holiday lighting sparingly.

The Throwaway Ethic. Many point to the way we Americans have been living for the past 40 years and say that ours is a "throwaway society." These same critics say that we cannot afford to waste our resources. We must turn to recycling as a partial answer.

The State of Oregon has in effect a law which makes it very difficult for bottlers to use throwaway bottles. They therefore have favored the returnable, reusable bottles. Those against the returnable bottles have voiced objections which have been refuted in a recent study by the Oregon State University cited in the *Sierra Club Bulletin*. Based on industry reports it says:

- The bottle bill has created a net total of 365 new jobs, with an annual payroll of $1.6 million. (Critics said that it would do away with jobs.)
- Beverage prices have not increased significantly when compared to those in states without such a law.
- Total beer and soft-drink sales have increased. (Critics feared that sales would fall off.)
- There has been a whopping 92 percent reduction in the number of cans and bottles found along roadsides.

These and many more statistics and arguments will have to be used if a national bill requiring the use of returnable bottles is to pass.

Deputy EPA Administrator John Quarles reported that returnable and refillable bottles ". . . are far superior from an energy standpoint than either throwaway bottles or cans."

Six million tons of glass, 1.6 million tons of steel and 575,000 tons of aluminum went into beverage containers last year. Much of this added to the cost burdens of municipal waste disposal and litter. Quarles estimated that reusable containers would save the equivalent of 92,000 barrels of oil daily.

SCOUTING
NOV-DEC 1974

132 A

SUBMITTED BY RICHARD LYNCH - STATE AFL-CIO

June 1974

STEELWORKERS

L.U. 3913	Continental Can Co. Paterson, N.J.	1,000 members 150 white collar
L.U. 4580	Continental Can Co. Passaic, N.J.	450 members 80 white collar
L.U. 7357	Continental Can Co. Pennsauken, N.J.	80 members 25 white collar
L.U. 8186	Continental Can Co. Wayne, N.J.	80 members 30 white collar
L.U. 6300	American Can Co. Hudson	120 members 80 white collar
L.U. 6301	American Can Co. Hillside, N.J.	1,000 members 125 white collar
L.U. 6302	American Can Co. Hoboken, N.J.	105 members 35 white collar
L.U. 7795	American Can Co. Edison, N.J.	126 members 25 white collar
L.U. 8170	American Can Co.(Regency Plant) Edison, N.J.	150 members 50 white collar
L.U. 6129	National Can Co. Edison, N.J.	300 members 75 white collar
L.U. 7098	Reynolds Metals Avenel, N.J.	500 members 125 white collar
L.U. 7673	Kaiser Aluminum Edison, N.J.	300 members 60 white collar

SHEET METAL WORKERS

	Crown Cork & Seal North Bergen, N.J.	500 members 100 white collar

5671

Glass Bottle Blowers Association

PAGE 2 DATE 6-5-74 NAME R. A. Lynch, V.P. N.J. AFL-CIO

LOCATION	COMPANY	NO. OF GBBA MEMBERS
Bridgeton	Owens-Illinois, Inc.	1969
Carteret	Metro Containers	322
Cliffwood	Midland Glass Co., Inc.	749
Freehold	Brockway Glass Co., Inc.	540
Jersey City	Metro Containers	410
Millville	Kerr Glass Mfg. Corp.	1258
Millville	Wheaton Glass Co.	2432
North Bergen	Owens-Illinois, Inc.	814
Salem	Anchor Hocking Corp.	1137
Salem	Star City Glass	304
Wharton	Thatcher Glass Co., Inc.	656
	TOTAL	10,591

The following companies make the paint and coating used in beverage cans. Many of these have plants in New Jersey

Alcoa Aluminum Co.
American Lacquer Solvents
M & T Chemicals (Subsidiary of American Can)
Benjamin Moore, Technical Coatings Div.
Baltimore Paint
ConChemCo.
Cook Paint & Varnish
Cincinnati Varnish
DeSoto, Inc
Enterprise Paint
Fuller-O'Brien
Gordon Bartels
Glidden Div., S.C.M. Corp.
Inmont (Interchemicals)
Jones Dabney Div., Celanese Coatings
Eli Lilly Industrial Coatings
E.I. DuPont Company
M.A. Bruder
Mobil Chemical Co.
Midland Industrial Div., Dexter Co.
Minnesota Paints
P.D. George
Pratt & Lambert
P.P.G. Industries
Reynolds Aluminum
Schenectady Chemicals
Sinclair - Valentine Div.
Valspar Div., Clinton Co.
Vita Var Div., Textron Corp.
Watson Standard

Acme Printing Ink
Jones Dabney Div
Amsco
Mattiace
Mobile Chemical Co.
Glidden Durkee Div
Desoto Inc.
E.I, DuPont
Amco Chemical
Argo Chemical

NJFC NEW JERSEY FOOD COUNCIL
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Executive Director

STATEMENT BY

JAY ADELMAN, EXECUTIVE DIRECTOR
NEW JERSEY FOOD COUNCIL

BEFORE

ASSEMBLY AGRICULTURE AND ENVIRONMENT AND COMMERCE, INDUSTRY AND

PROFESSIONS COMMITTEES

on

A-607, 1191, 1361, 1452 and 1528

Trenton, N. J. November 7, 1974

Thank you for permitting me to appear before you today as a representative of the New Jersey supermarket and food store industry. We appreciate the opportunity to discuss the implications for our stores and for the state's consumers, of these solid waste management and bottle recycling bills. The food retailers of New Jersey are cognizant of the serious environmental problems facing us today, and recognize our obligation to provide some of the impetus to help solve them. Further, we believe that this issue is far too important to discuss in what all too often amounts to simple cliches or self-serving platitudes. We wish to deal in positives, not negatives.

I think it important to state at the outset that we do not believe our role to be in the area of bottle recycling, which we view as a piecemeal, stop-gap approach which does little to clean up debris. That's admittedly a negative. We do feel, however, that it is essential for New Jersey to move in the direction of resource recovery, a very big positive. Thus, in principle, we support A-1452 as a positive step in the right direction.

Board of Directors: Calvin Bell, Foodtown of Matawan • Allen I. Bildner, Kings Super Markets • Leroy Davidson, Davidson's Foodtown • Richard Donlan, Stop & Shop • John Edstrom, Acme Markets • Alan Elliott, Grand Union • Edward Flemming, First National Stores • Edward Gold, Progressive Shop-Rite • Wayne Guest, Nabisco • Ned Maher, H. C. Boerner Co. • Joseph Nalbone, Crestwood Shop 'n Bag • Robert Page, Quick-Chek • George Pittel, Hills Supermarkets • Alvin Rockoff, Stop Convenience • Joseph Saker, Foodarama Shop-Rite • James Savasta, Valley Fair • Leonard Schechter, Kings Super Markets • Nicholas Sumas, Village Shop-Rite

Restrictive container bills, as laudable as the sponsors' objectives may be, lack one basic ingredient that prevents them from becoming truly effective. That is that they affect under 2% of the state's solid waste, and with dubious results even on that small scale. More than 98% of solid waste would be left untouched. From the standpoint of the food stores, of course, they create virtually insurmountable sanitation and storage problems, and in the long run, must mean higher labor and other costs to retailers, and therefore, higher prices to the consumer.

We recognize, of course, that Oregon and Vermont are into restrictive container programs. It is not for me to say how well they are working. There has been considerable controversy generated by proponents as well as opponents. We do know there are many problems. But we can see little sense in New Jersey, the most densely populated state in the nation, being guided by the activities of two states whose population, industry, and yes, environment, bear little if any resemblance to our own.

Nonetheless, it is worth pointing out that beer and soft drink sales are off in communities along the New York-New Hampshire border, because Vermont residents don't wish to bother with returnables, or to pay the higher prices. Further, the deposit measures before you today contain a built-in failure feature. It is the lack of public commitment to such programs as evidenced by various analyses of roadside litter indicating that the amount of returnables and non-returnable bottles tossed along the roadside are approximately equal. People just won't travel very far these days for a 5¢ deposit, and, we suspect, even for 10¢. And let's not overlook the added energy and gasoline consumption required to move those bottles back and forth among the distributor, retailer, purchaser, retailer and distributor. Talk about going around in circles.

I do not wish to abandon the previously mentioned subject of storage space without noting that there simply is no more precious commodity in any food store. The amount that would have to be found to store hundreds of thousands of containers that would be brought back by customers is enormous, and, as one expert on this subject noted not too long ago, current rent levels would make our food stores the most expensive garbage depots in the world. Imagine the special strain that would be placed on the small convenience and "mom and pop" operators whose space is at even more of a premium than in the always tight supermarkets.

As for additional cost to the consumer, estimates are that a non-returnable ban or deposit could easily add as much as 30 cents per soda six-pack cost to consumer. That's without the added deposit of 30 or 60 cents, depending upon whether a 5-cent or ten-cent deposit were required. Thus a shopper could easily pay as much as $2.35 for a six-pack of soda that's now going for $1.45. I would be happy to make available reference material on any of the comments I am making today.

Health considerations cannot be overlooked, either. The returnable container hardly rates among the most germ-free and sanitary products of our society. Is it logical to require that it be stored in the same place as your food supply and handled by the same people who, in turn, handle and pack your food? The concept is completely at odds with the stringent requirements of the New Jersey Retail Food Establishment Code - the code that health leaders like Dr. Oscar Sussman claim extricated us from the sanitation dark ages. Do we really want to turn the clock so far back?

But we do not wish to dwell on negatives so let us return to our discussion of resource recovery. What we do like about A-1452 is that it encourages municipal recycling systems and provides funds to serve as the stimulus for large voluntary recycling. Further, it pretty much leaves it to the muncipality which type of recycling program best suits its needs. Thus communities will be in a position to determine how best to cope with solid waste through use of new recycling technology - the very technology that industry has developed for chewing or sorting trash into reusable glass, metal scrap and paper pulp, and sometimes a residue that can be burned as fuel.

A good example of what can be achieved was provided by the town of Hempstead in Nassau County, New York last year when it took the bold step of approving the construction of a solid waste recovery plant to process unsorted, raw residential refuse and recover for resale valuable glass and metal which would be recycled into new products. Remaining organic and inorganic material would be used as fuel to generate approximately one million kilowatts of new electrical power per day - enough saleable electricity to supply one-fifth of the households in Hempstead. The modern garbage processing plant will handle all waste, provide power and energy for community use, and deliver dollar profits as Hempstead annually will receive 25% of the proceeds from the sale of the recovered material and 50% of the proceeds from the sale of power. And at the end of 20 years the title to the plant will pass to Hempstead.

George Pittel of Hills Supermarkets, a student of resource recovery, defines the process as "a volume reduction technique that serves a higher purpose than compaction, combustion or restrictive container legislation." He said that refuse from which valuable material has been removed is more uniform and, therefore, better suited to all modes of disposal. What we are saying, then, is that instead of restrictive container legislation, it is important that we properly utilize our

technology, manpower, taxes and resources to substantially reduce solid waste volume. Turning garbage into money - that's what resource recovery is all about.

The subject of resource recovery was placed in its proper perspective just two weeks ago in a talk presented before the annual meeting of the National Association of Food Chains by Dr. Richard L. Lesher, President of the National Center for Resource Recovery. Dr. Lesher, who said that container legislation represented a step backward "that doesn't need to be taken," noted that one of the world's greatest problems today is that with all our technology, we still cannot manage our garbage. Nor, he indicated in a series of photos depicting life in the U.S. dating back to the turn of the century, have we ever paid much attention to pollution in this country until very recent times.

To quote Dr. Lesher, "Regardless of what the doomsayers tell us, we don't need to outlaw steel cans, aluminum cans, non-returnable glass bottles. We don't need to design any product to be good garbage. We need to develop garbage systems which will handle anything which gets thrown away." Dr. Lesher believes that the sanitary landfill, while not the best wast solution possible, does end the pollution aspect of the problem. In fact, Dr. Lesher said, "we can achieve a form of resource recovery by covering the sanitary landfill at its completion, as the City of Los Angeles does, with a park or golf course, thereby upgrading marginal or waste land for a better use."

The Resource Recovery Act passed in 1970 steered us along a new course. Instead of emphasizing solid waste disposal, this law focuses on closing the cycle to bring those resources back into use over and over again.

Resource recovery means programs like the system developed in Menlo Park, California to turn garbage into gas which in turn drives turbines to produce electricity for the towns where the garbage originated.

Or the program at Black Clawson in Franklin, Ohio, where a hydropulping system pulps the city's garbage and permits that operating company to extract paper fibers, metals and glass for recycling.

Or the program in St. Louis to grind garbage in a facility that extracts steel and then transports that refuse to the Union Electric Company on the Mississippi River where solid waste is substituted for coal as a fuel source to produce electricity.

Or the program undertaken by the City of Baltimore for a pyrolytic system to process 1,000 tons of refuse daily which, after extraction of ferrous metal, will produce a glassy aggregate to be used as road construction material.

The food retail industry is well represented on the National Center for Resource Recovery which has considerably material available on its four major program areas - research, analysis, demonstration and public awareness. Further, we agree with the message that the Center preaches in all of its information programs: Solid waste is not a crisis - it is a problem which can be solved.

I know that the National Center of Resource Recovery would be pleased to make representatives available to your committees and to appropriate state agencies to explore methods which might be used for complete solid waste management in New Jersey. Incidentally, the organization's work is so highly regarded that it recently signed an agreement with the Japan Resources Technical Institute under which the two organizations will exchange information and assistance in resource recovery while planning joint studies and demonstration projects. The possibilities are very exciting.

The Center recently signed a contract with the City of New Orleans for the construction and operation of a major resource recovery demonstration - a plant that will be processing 650 tons fo solid waste per day, extracting metals and glass for recycling, and preparing the balance of materials for conversion into energy or other uses. I won't go into all technical details but the Center will be happy to make additional information availabe to you.

Resource recovery has arrived. In 1971, very little was happening in resource recovery and few thought it would happen in our life time. Yet Dr. Lesher freely forecast that by 1978 - just 4 years from now - most of the major cities will be operating resource recovery systems.

With so much movement elsewhere in the direction of resource recovery - rather than the kind of fragmentary regressive program represented by bottle bills - the New Jersey Food Council and its member food stores, along with many of their goods and service suppliers, believe it important that this State quickly involve itself in resource recovery studies and programs. There is no reason for us to be left behind in the proper management of solid waste. For this reason, we think that A-1452, possibly with some amendments, merits the serious consideration of your two committees. We will be happy to make our own resource recovery studies and experts available to you in order to help provide a positive solution to the environmental problems all of us are obligated to try to solve.

It has been said that we live between the age of knowledge and the age of wisdom. Beginning the fulfillment of the vast potential of resource recovery is a clear sign that we are moving toward the age of wisdom. The food industry wishes to move in that direction with you.

Thank you.

TESTIMONY ON - A-607, A-1191, and A-1361

BY THE GLASS BOTTLE BLOWERS ASSOCIATION AFL-CIO

My name is Harry L. Moore. I am Director of Legislation for the Glass Bottle Blowers Association AFL-CIO. Our Union represents 14,371 workers in New Jersey of which 10,707 are employed in the container industry.

Two other Unions, the United Glass and Ceramic Workers of North America and the American Flint Glass Workers Union, represents thousands of other glass workers in New Jersey.

During the past 2½ years our Union has lost 602* jobs in New Jersey through adverse publicity pertaining to the non-returnable container, automation and etc. This has been a loss of over $7 million in income to our members in New Jersey. And now there is the move, through this proposed legislation, to eliminate another 4,336 glass jobs and 6,504 support jobs with a loss of $565,273,480* to the economy of New Jersey.

I have testified in hearings all over this country at municipal state and national levels. It never ceases to amaze me how the dozens of (what we have come to call) eco-freaks can profess to know more about jobs, job loss and the economy of our country than the industries involved, George Meany and the AFL-CIO. Most of these "ecos" have never done a days work in their life and many are going to school on tax money said by these same workers they are trying to put out of a job and on welfare.

It also never ceases to amaze me that the news media will gobble up and print, as gospel, any information put out by a college professor

*See attached data.

And with many professors turning from the study of the sex life of the Mongolian Mongoose - and the study of how much gas a herd of cows burp - to the study of how many light bulbs could be lit if non-returnable containers were not made, I can't understand why they get so much attention.

I would be remissed in my duties if I did not comment on the activities of the Environmental Protective Agency, the multi-million dollar bureaucracy in Washington - that spends tax payers dollars like they were going out of style. They run all over the country, appearing at meetings and hearings at all levels of government (from the minicipal level on up) pouring out biased opinions on what is good for these governmental groups. The pity of this is that, not only are they biased opinions but are opinions arrived at by various studies paid for by the tax payers. And when one study doesn't come out the way they want it to, they spend more tax dollars to do another study with in-put that will result in the biased answer they want.**

**A study was done for the E.P.A. by the Research Triangle Institute in North Carolina and because it did not result in the data they had been putting out, they paid for another study to be done by the Midwest Research Institute which came out more to their liking.

Deputy Administrator Quarles, of the E.P.A., testifying before the Senate Committee on the Hatfield Bill, stated that "for each person displaced by the (non-returnable ban) bill, 70 job opportunities would be made available for displaced workers in the same occupational category." And he added "several thousand job opportunities would be made available for each displaced person in certain categories." There is no way in hell that this would happen.

Mr. Quarles stated that he got his information from the Bureau of Labor Statistics. They have denied making such statement and, in fact, deny even making a study on this.

Our Union lost 150 job opportunities in Oregon, 190 job opportunities in Washington and almost 1,000 job opportunities in California as a result of the Oregon Bill. It had been projected by college professors and environmental groups that we would lose 39 jobs. Using Mr. Quarles theory, we should be the happiest Union in the country, as we should have increased our membership by thousands instead of losing over 1,400 job opportunities.

We really can't blame the E.P.A. for trying to protect their multi-million dollar budget, but it just doesn't seem fair to see millions of dollars wasted on their escapades while millions of workers (who are paying their bill) must continue to work in unhealthy and unsafe work-places because O.S.H.A. hasn't enough money to supply health and safety inspectors to do the job to correct these situations.

The attached data is from dues-collection records. These records are audited and reported to the government under strict laws. I certainly feel that they should be given more consideration than the

data submitted by those who must answer to no one and who stands to lose nothing but a little time (which most of them seem to have plenty of).

With unemployment skyrocketing in New Jersey and with welfare rolls increasing in New Jersey, I would suggest that we do like many other states are doing and get out and promote and sell those things we make instead of trying to destroy what we have. As a resident and taxpayer in New Jersey, I feel I have the right to make that statement.

Harry L. Moore
Director of Legislation
Glass Bottle Blowers Assn., AFL-CIO

NEW JERSEY

4,336 Glass jobs x $12,002 (average income) = $52,040,672 - Lost income

6,504 support jobs x $9,381 (average income for support jobs) = $61,014,024 - Lost income for support jobs.

$52,040,672 + $61,014,024 = $113,054,696 - Total lost income.

5 x $113,054,696 = $565,273,480 = total loss to New Jersey's economy.

G.B.B.A. Job Loss by State

State	Members	*(Glass Members)	Total Jobs Lost
Alabama	596	526	213
Arkansas	101	101	40
California	9,132	6,230	2,523
Colorado	68	68	27
Connecticut	743	743	300
Florida	1,243	1,243	503
Georgia	1,939	1,498	606
Illinois	7,681	7,291	2,952
Indiana	6,332	5,289	2,142
Louisiana	710	710	287
Maryland	1,860	1,557	630
Massachusetts	275	101	40
Michigan	552	479	193
Minnesota	591	591	239
Mississippi	504	504	204
New Jersey	14,371	10,707	4,336
New York	1,567	1,567	634
N. Carolina	1,000	901	364
Ohio	5,849	1,680	680
Oklahoma	1,855	1,855	751
**Oregon	372	372	150
Pennsylvania	8,763	7,149	2,895
Rhode Island	242	242	98

G.B.B.A. Job Loss by State

State	Members	*(Glass Members)	Total Jobs Los
S. Carolina	1,442	410	166
Tennessee	442	442	179
Texas	2,379	1,708	691
**Washington	467	467	189
W. Virginia	2,441	2,356	954
Wisconsin	439	439	177

* Glass and Sand Mines.

** Already affected by the Oregon Bill.

H. Moore

SUBMITTED BY KENT WALD

STATEMENT OF

THE GLASS CONTAINER MANUFACTURERS INSTITUTE, INC.

1800 K Street, N.W., Washington, D.C. 20006

Before New Jersey Assembly Committees of

Commerce, Industry and Professions

and

Agriculture and Environment

November 6, 1974

Relative to Assembly Bills

A.1361

A.607

A.1191

and

A.1452

A.1528

Mr. Chairman and Members of the Joint Commerce, Industry and Professions Committee and the Agriculture and Environment Committee:

The Glass Container Manufacturers Institute, Inc. welcomes this opportunity to present material the industry believes will help contribute to your study of beverage containers. The manufacturers of glass containers have devoted extensive time and investment to researching solutions to the highly complex problems of solid waste disposal, litter prevention, energy conservation, and resource recovery. The glass container industry in New Jersey has 12 manufacturing facilities in 11 municipalities. It is the largest glass producing state in the nation. The industry employs more than 13,000 in New Jersey and it generates over $150 million dollars annually in payrolls and over $8 million dollars in State and local taxes. Four glass container companies are headquartered in New Jersey. They are Metro Containers, Lyndhurst; Midland Glass, Cliffwood; Wheaton Glass in Millville; and Leone Glass in Bridgeton. (Please see attached list).

In regard to the three restrictive container bills before you, the industry opposes legislation that artificially and arbitrarily removes products from the marketplace. This industry is the only one able to supply both convenience and refillable packages. The industry stands solidly behind both types of

packages. It is our firm belief that the choice between convenience packaging and refillable packaging can and must be made by consumers exercising their right of free choice in the marketplace.

If the Oregon experience can be applied to New Jersey, the industry can expect at a minimum, a loss of production of one-third. Production of beer and soft drink containers has declined one-third since 1971 at the only glass container plant in Oregon. Because of the much heavier preference of convenience packaging in New Jersey, the impact probably would be greater.

Regarding the two recycling Bills -- A.1452 and A.1458 -- the industry favors them in principal but has not studied the Bills carefully enough to offer specific opinions.

This Committee, of course, has reviewed hundreds of statements from proponents and opponents of restrictive container legislation. In addition, the Committee members have heard hours of testimony regarding the proposals before you. In the few minutes available to the industry today, we would like to concentrate on the following areas:

(1) A brief background on glass containers and their relationship to the environment.

(2) Comments on the results of container legislation in Oregon and Vermont and what it has meant to the residents of those political jurisdictions; and

(3) Practical solutions to environmental questions.

First, let's examine the relationship of glass containers to the environment.

Solid Waste - Soft drink and beer containers account for approximately 1 1/2 percent of our total solid waste stream and seven percent of residential solid waste.

Litter - All glass containers, based upon a 29 state survey, account for approximately six (6) percent of roadside litter. Of this total, approximately 30 to 40 percent are deposit bottles. As a result of the refund system in Oregon, consumers are spending several times the entire cost of removing all highway litter, not merely cans and glass.

GCMI strongly supports the newly developed Action Research Model (ARM) anti-litter program that analyzes community litter sources and seeks to reduce the flow of litter at the "grass roots" level.

Natural Resources - Glass container products are made of highly abundant natural resources. They are primarily made from silica sand. Other ingredients are limestone, soda ash, and used glass or cullet.

Energy - The entire beverage industry in America uses less than 1 percent of the total energy for production and distribution of beer and soft drinks. Although many studies have been performed on this subject, the most optimistic project only a theoretical savings of 20/100 of one percent if a complete transition to returnables occured.

Background - The glass container industry produces a wide variety of products for beverages, food containers, medicinal, pharmaceutical, household and other products. Here is a breakdown of the beverage container total:

Beer:	returnables - 0.8 percent
	nonreturnables - 21.8 percent
Soft Drinks:	returnables - 3.1 percent
	non-returnables - 22.8 percent

In New Jersey, beer and soft drinks are primarily preferred in non-returnable packaging. Proponents of restrictive container legislation have dealt mostly in theory regarding the effects of restrictive legislation. Two states, however, have enacted and enforced container legislation. It is helpful for the record to examine the results from these states. Let us first turn to Oregon.

The following are highlights of the commissioned State of Oregon study of the effect of the Bill:

Litter	Total Litter down 10.6 percent
	Beverage Litter down 66 percent
	Non-beverage litter up 12 percent
Profits	Total loss -- $7.2 to 9.3 million

Glass Container Manufacturing

Sales	Pre Law -- $5.4 million
	First Year -- $6.1 to 6.8 million

Current Level (estimated) -- $1.8 to 2.4 million

Jobs More than 200 loss

Transfer of business -- 65 jobs

Consumer Impact -- Total extra costs to consumers as a result of the "Bottle Bill" -- $9,885,517.00

Total Jobs Lost -- 340-427

Total Jobs Created -- 175-200

VERMONT

Although the state's mandatory deposit law has been in effect only since September 1, 1973, the law has had a profound effect. Since there are no bottle or can factories in Vermont, there have been no direct attributable factory production job losses. However, since Vermont has long borders adjoining Massachusetts, New York, and New Hampshire, small merchants along those borders have suffered noticeably. The Vermont Retail Grocers Association estimates that beer and beverage sales are off 55-60 percent in some border areas due to the "Bottle Bill". The Association is estimating a total beer excise tax loss in the State of $340,000 for 1973-74. In previous years there has been a 7.2 percent gain. Extra costs to Vermont consumers are estimated to be $5 million for beer and soft drinks. Importantly, malt beverage sales are up in New Hampshire 11.4 percent. Consumers apparently are crossing the borders to purchase unregulated beer and soft drinks.

It should be of interest to the Committee members that in every instance where the issue of container restriction is placed before voters on a referendum ballot, citizens in scattered parts of the country have voted down restrictions. Tuesday in Dade County, Florida, which includes Miami, voters defeated a ban proposal soundly, 136,000 to 98,000. Also Tuesday, voters in a large Minneapolis suburb defeated a similar proposal. Other votes have taken place in the State of Washington in 1970, Juneau, Alaska; and Bridgeton, Maine and Coon Rapids, Minnesota.

Solid Waste

One of the primary goals of State and municipals jurisdictions should be modernizing solid waste systems. Presently, the method of handling solid waste in most municipalities is badly outmoded. The most promising development is a regional collection, separation and reclamation of the valuable ingredients (including energy) in solid waste. Restrictive beverage packaging legislation actually may retard development of resource recovery systems. Beer and soft drink containers are made of materials which have high intrinsic value. Their presence in waste stream contributes to the economic feasibility of recovering them as well as the less valuable resources. Among these valuable ingredients is glass. Glass can be easily recycled or can be made into a variety of useful secondary products, such as paneling, paving materials, insulation, and others.

Voluntary glass reclamation recycling continues to grow in volume. In New Jersey in 1974, more than 130 million bottles and jars have been turned in by citizens to the factories for recycling.

Litter

In the short range, there are three immediate solutions to the litter problem. They include more equipment along roadsides and parks; more concentrated and better researched education for all citizens, and more realistic anti-litter laws that provide incentives for law enforcement officers to apprehend persons littering. The long range answer to litter and probably the most effective to date is the systems and analysis research approach, such as the ARM Program. Advanced research has indicated that despite the impression that pedestrians and motorists are responsible for the most litter, five other sources of litter account for a larger trash total. These sources are: Improper household refuse put-outs, uncovered trucks, improper commercial/institutional put-outs, construction projects, and loading and unloading platforms. The basic objective of this research is to define exactly what and where the litter problem is and what to do about it.

Energy

Industry, working with all levels of state government, is embarking on concerted and well researched energy conservation projects. This approach, which can save up to 1/3 of the total energy used, is the least damaging and most productive approach

to energy utilization by industry in the United States. The regressive and emotional approach of banning products in the marketplace, thereby causing serious economic and social problems, is not an effective solution to the energy shortage.

Natural Resources

Increased use of recycled materials and increased use of used materials for secondary products is the best solution to the erosion of natural resources.

Summary

In summary, GCMI believes the primary role of state government is to plan and foster the development of local, regional, and state solid waste management systems, set and ensure compliance with reasonable standards, and provide coordination between state and federal community programs. And, importantly, state government has a strong role to play with industry in developing progressive programs which have the least effect on the economy and jobs and the most desirable effect on the environment. The beverage distribution system that offers the best advantages for the environment and for consumers is a mix of returnable and convenience packaging.

Thank you for your cooperation.

GLASS CONTAINER INDUSTRY IN NEW JERSEY

Company	Location	Employees
Anchor Hocking Corp.	Salem, N.J.	1,350
Brockway Glass Co., Inc.	Freehold, N.J.	674
Kerr Glass Mfg. Co.	Millville, N.J.	1,250
Metro Glass Corp.	Carteret, N.J.	401
	Jersey City, N.J.	476
Midland Glass Corp.	Cliffwood, N.J.	1,300
Owens-Illinois, Inc.	North Bergen, N.J.	920
	Bridgeton, N.J.	2,400
Thatcher Glass	Wharton, N.J.	750
Wheaton Glass*	Millville, N.J.	3,400
National Bottle*	Salem, N.J.	450
Leone Industries*	Bridgeton, N.J.	202
		13,573

* Not members of GCMI

Statement of William Pearce

Vice President of

The Coca-Cola Bottling Company of New York, Inc.

Prepared for

The Agriculture and Environment Committee
&
The Professions and Commerce Committee

New Jersey State Assembly

November 7, 1974

Mr. Chairman and members of the Committee.

My name is William Pearce. I am Vice President of The Coca-Cola Bottling Company of New York, Incorporated. I wish to thank the members of the Agriculture and Environment Committee and The Professions and Commerce Committee for this opportunity to present our views.

My statement represents nothing more than an updated report on the statement that I presented on September 22, 1971 in this same Assembly Chamber on this same type of proposed container legislation. However, today, three years later, the same updated facts have more meaning because of the economic environment in which we are all operating today.

The first revision in my statement of 1971 is the fact that my Company moved its Corporate Headquarters, and the revenue that goes with it, from New York City to Hackensack, New Jersey. Making this move with the confidence that the State of New Jersey thru sound and equitable legislation would provide the type of business environment that fostered progress thru business - government relationship.

We currently operate two bottling plants, one canning plant and five distribution centers in the State of New Jersey. Additionally, in South New Jersey, a canning plant and four distribution centers are operated by The Coca-Cola Bottling Company of Philadelphia. This represents approximately 1000 employees, a thousand employees who share with us the deep concern that all of us have for the solid waste and litter problem. And we have demonstrated our concern thru our collection and recycling program which was inaugrated in March, 1971 and thru which we have removed well over 200 million containers from the solid waste stream. There are, however, a few tremendously significant facts which I would like to touch upon and have a strong influence why we, The Coca-Cola Bottling Company of New York, Inc. categorically and unequivocally oppose any legislation which would mandate a deposit on non-refilllable beverage containers.

Needless to say, our company and our industry has and is going through a packaging revolution. Particularly, when you consider the fact that only six years ago over 50% of our total business was in the returnable bottle.

What caused this dramatic change in soft drink packaging? Certainly there are many contributing factors; but the overwhelming fact is the change took place because of consumer acceptance -- consumer preference and consumer demand.

First, one must keep in mind the tremendous volume we enjoyed with the returnable package in 1968; well over 50% of our business. Particularly, we were proud of the fact that we had a great share of the small bottle market, represented by our traditional 6½ oz. returnable Coca-Cola bottle.

So in 1968, it made good business sense to protect our investment in our returnable bottle business -- in spite of the fact that consumers were trending towards the convenient one way packages.

During 1968 and 1969, we aggressively promoted the returnable bottle. The effort consisted of over $250,000. worth

of newspaper advertising plus $50,000. worth of point-of-sale material and the imprinting of all of our bottle carriers with the phrase "money back bottles." What were the results?

Gentlemen, ours was a voice in the wilderness and there was minimal response at most. Why? Because of the countervailing social and economic pressures working on retailers, on consumers, on industry, on government and indeed on the very life style of our cities.

In the meantime, our share of returnable bottle business continued to decrease and by 1970 it represented less than 40% of our total business. Of equal importance and concern was the fact that our trippage on the returnable bottle had fallen from a one time high in excesses of 25 trips to less than 10 trips.

On December 28, 1970, we increased the deposit on our returnable bottles from 2¢ to 5¢. We did this because we felt a state of awareness and concern may help save, or at least extend, the life of the returnable bottle and that the higher deposit value may encourage more consumers to return it rather than throw

it away. This deposit increase announcement was also supported by a substantial newspaper campaign.

There were preliminary and tentative signs that this strategy might be working. There was a slight increase in the return rate for the first few months. Then the trend reversed itself and has fallen off to the rate of less than five trips per bottle.

In March of 1974 we raised our deposit on returnable bottles from 5¢ to 10¢ in an attempt to further encourage returns and reduce our losses. To date, this increase in bottle deposit has provided more revenue but has not contributed, to any meaningful degree, in increasing bottle trippage, even in view of the fact that our returnable share of our business is less than 5% of total sales. The hard fact for all of us to accept is the fact that the returnable bottle has practically become a one way bottle.

Gentlemen, these facts are tremendously significant because no soft drink bottler in this country has spent more time, money and effort than we have to sustain the life of the returnable bottle.

In view of these facts, we believe that the only thing that legislation requiring a mandatory deposit would do is give a litterbug the right to pay for the privilege of littering and harshly discriminate upon one industry whose products are a very small percentage of litter and solid waste to begin with.

Additionally, the legislation would strike a devastating blow at the very heart of the industries which have and are expending tremendous amounts of money to reach the ultimate solution to the solid waste management problem. This solution, we believe, is the systems approach to the collection, disposal, separation and recycling of solid waste materials. These systems are now available and we need courageous and farsighted support of local, county and state legislators to get these plants activated.

More importantly by far, is the economic impact such legislation would have on our industry, our Company and our employees.

Our Company operates three can filling plants in the Metro-New York area, one of which is in Paterson, New Jersey. It would be ill-advised to enact a law which would surely result in greatly reduced can volume, loss of jobs and even the possibility of our Paterson plant being closed.

Our commitment in terms of jobs and taxes is substantial. To return to the returnable system can only result in reduced volume, higher costs, more energy consumed, and mass confusion at the retail level.

And all this, gentlemen, with absolutely no guarantee that litter and the solid waste problem would be reduced appreciably . . . or if at all.

The Coca-Cola Bottling Company of New York, Inc. has not taken a back seat in facing up to its responsibility in environmental issues, and we are not playing the "fire and fall back" game.

I pledge the support of our Company to work hand-in-hand with those of you who conscientiously want to resolve the problem. This, of course, is one of the basic objectives of the Labor/Industry Committee for Resource Recovery. A committee of concerned men representing labor and industry, dedicated to the belief that the final solution to the litter and solid waste problem rests with the systems approach to the collection, separation, disposal and recycling of all solid waste material . . . ultimately benefiting both the community and the consumers.

STATEMENT OF

ROBERT C. DONOVAN

REGIONAL PUBLIC AFFAIRS DIRECTOR
OWENS-ILLINOIS, INC.

before the

Assembly Committee on Agriculture, and Environment

Assembly Committee on Commerce, Industry, and Professions

November 7, 1974

Joint Public Hearing

on

A-1452
A-1528
A-607
A-1191
A-1361

Representing

B. A. Thomas - Wayne
R. W. Twyman - Edison
F. J. Hatch - Hawthorne
R. Troiano - Holmdel
J. A. Pope - Holmdel
E. D. Bowes - Montclair
J. A. Franzoi - Montclair
W. J. Shrewsbury - Moonachie
J. L. Derricksom - North Bergen
R. D. Waller - Saddle Brook
D. E. Marshall - Saddle Brook
W. W. Collicott - Vineland
D. R. Oliker - Glassboro
C. L. Curreri - Bridgeton

I appreciate this opportunity to discuss with members of the Assembly Committees our position regarding the five bills being considered today.

Regarding Assembly bills numbers 1452 and 1528, the sponsors are in our opinion to be complimented for their attempt to solve New Jersey's solid waste problem in a positive productive manner.

We would hope that these proposed measures will prove to be the beginning of the kind of joint cooperative exploratory process involving Government, Industry, and Labor that will lead to the realistic solutions we all desire.

However, we cannot accept as part of that solution, Assembly bills A-607, A-1191, and A-1361.

Proponents of restrictive packaging legislation consistently list as objectives of any such legislation.

1. Reduction of soft drink and beer container portion of litter.

2. Reduction of soft drink and beer container portion of solid waste.

3. Preservation of Natural Resources.

4. Conservation of Energy.

These four objectives cited by sincere well meaning environmentally concerned proponents are of noble intent.

My company and industry wholeheartedly endorse the goal but unalterably oppose legislation that would ban, tax, or require mandatory deposits on soft drink and/or beer containers in the illusory attempt to realize these objectives. Proponents of such simplistic measures ignore the fact that the free market and the evolutionary development of our highly complex and efficient food and beverage distribution system automatically requires that each product and package succeed on its own merits or be replaced or obsoleted by competitive materials.

The factors that affect this overall market judgement include raw material availability and cost, manufacturing and distribution energy demands, and environmental considerations; along with other more subtle and complex influences.

Now just a brief comment about the four objectives.

LITTER

Beverage containers make up a small portion of litter, but so do hundreds of other items. Of the seven sources of litter, restrictive container measures would effect only two. Even if the beverage and brewing industries were eliminated completely there would be no reduction in litter pick-up costs, equipment, or people employed for that specific purpose. The path to the objective of Litter Control can be found in education, enforcement of realistic litter laws, and properly placed waste receptacles. Enthusiastic interest in the Action Research Model project combining behavioral sciences and the practical application of Litter Control measures is growing and we sincerely recommend this course of action.

SOLID WASTE

Soft drink and beer containers account for less than two percent of our total solid waste stream and seven percent of residential waste. The illusory solution of restrictive container legislation serves only to mask the real issue and delay genuine solutions which are in the process of rapid development. Paralleling the systems development is the Glass Container Manufacturing Institute's Waste Glass Beneficiation subsystem now operating in Franklin, Ohio which produces color sorted glass cullet for recycling purposes from a glass rich solid wate residue. Secondary products and processes such as Thixite, Slurry Seal, Glass Building Blocks and Bricks, and Insulation material have been developed and a number of these have been declared economically feasible by the Mid-West Research Institute.

NATURAL RESOURCES

The Glass Container Industry is in the enviable position of having three billion years worth of Natural Resources available. Presently, we are feeling the effects of a shortage of soda ash production facilities, but this temporary problem is expected to ease by late 1975 or early 1976. Cullet or waste glass is a necessary part of the batch and is desired by our Industry. The stated Glass Industry goal is utilization of 50 percent cullet as soon as reliable sources of supply develop through solid waste recovery systems such as the Hempstead Black Clawson Plant. Until then we hope to stimulate community recycling programs which up to the present have generated an ever increasing amount of cullet.

ENERGY

Herman Kahn's observation that there is no shortage of energy in the world only a shortage of very cheap energy applies to and effects all industries and individuals. The Glass Industry has reacted to this

developing situation in many ways including; improved furnace design and insulation, development of lighter weight, stronger glass containers combined with a trend to larger family size packages such as 48 ounce and half gallon soft drink containers (meaning more containers or contents per unit of energy). An example of energy conservation progress by design can be found within my company. In the early 1940's an average of 5500 BTU's were required to melt a pound of glass whereas two years ago the average was 2700 BTU's

In consideration of these positive actions by our industry which parallel and complement similar actions by other producers of packaging and beverages, and projecting these efforts into the future, we respectfully request that both committees accept our offer of cooperation in the development of realistic solutions to the problems we are addressing today. We consider restrictive container legislation counter productive, economically destructive, and unworkable; and state again our unalterable opposition to these anti-consumer measures.

* A NOTE ON GLASS RECYCLING

Our North Bergen Glass Container Plant, and our Bridgeton Glass Container Plant have been involved since 1970 and 1968 respectively in Glass Recycling programs which have generated a total of more than 131,000,000 lbs. (65,500 tons) of waste container glass through September 1974. We paid communities and groups involved in this recycling program a total of approximately $1,310,000 (@$20/ton) through September 1974, for this cullet from which new glass containers were made. This program at its inception was designed to stimulate interest in the recycling concept ant to evaluate its economic and logistics feasibilities. We wholeheartedly endorse Resource Recovery through the systems approach as the eventual and the practical solution of New Jersey's Solid Waste Program.

STATEMENT SUBMITTED BY J. LITUSI - LOCAL 3913

STEELWORKERS OF AMERICA AFL-CIO

OREGON MINIMUM DEPOSIT LAW - APPLIED DECISION SYSTEMS, SEPTEMBER, 1974, DRAFT REPORT

When the Oregon law was enacted, it included a requirement that the effectiveness and impact of the law be studied by an outside consultant. After consultation, the State selected Applied Decisions Systems (ADS) to conduct the study for a fee of $100M.

The year-long ADS study in "draft" form was submitted to Oregon, August 30, and released September 3rd. The State is now deliberating and will soon conclude whether it will accept or reject the study. The study is receiving considerable publicity and comment around the country.

The following is to inform you of the study's major findings. The study covers the first year of the law's enactment (October '72 through September '73).

The study is in three parts:

Litter Impact
Economic Impact
Consumer Attitudes

ROADSIDE LITTER IMPACT

The Oregon Division of Highways began a litter collection survey along 30 one-mile long segments of highway a full year before the law took effect, providing direct comparisons of piececounts at each site for similar periods before and after the law.

A control survey at 30 additional sites were also selected after the law to provide a check of the original sites.

A "Governor's Litter Composition Summary" for 25 of the original 30 sites summarized piececount and volume data, but gave no direct before and after comparisons.

The Division of Highways conducted all three surveys.

The ADS report is based on the original survey.

Highlights:

Total roadside litter declined 10.6%. Beverage litter accounted for 30% of the roadside litter (including some paper items).

Beverage litter declined 66%.

Other litter was up 12%.

Traffic was up 4.5%.

State expenditures on litter increased 11% - $579M versus $514M. If the purpose of the legislation was to reduce litter, regardless of cost, proponents of this legislation will point to these findings in support of similar legislation.

ECONOMIC IMPACT

This section has received considerable criticism and challenge by the bill's proponents. The report conflicts with earlier proponent claims about sales volume, prices, cost, impacts, etc. The objective of this section was to identify first year changes in sales, costs, investment, employment, prices, and profits.

The results are based on a combination of public information (Oregon Liquor Control Board), confidential questionnaires, and interviews with firms in each industry:

Soft Drink Producers
Brewers
Retailers
Beer Wholesalers
Can Manufacturers
Glass Bottle Manufacturers

The Oregon soft drink market represents less than 1% of the national market; the beer market slightly over 1%; Oregon population 1.05% of national population.

Highlights:

First year reduced pre-tax profits (including one time expenses).

Beer	$3.2 to $4.8M (5-6¢/six pack)
Soft Drink	$4.0 to $4.5M (8-9¢/six pack)
Total pre-tax reduced profit	$7.2 to $9.3M

First year new investment requirements (plant, equipment, trucks, containers):

Beer	$2.2 to $3.2M
Soft Drink	$3.5 to $4.5 M
Total	$5.7 to $7.7M

Despite population growth per ounce sales in both soft drink and beer markets showed no growth. Both markets showed a break in historical growth patterns. Both markets were stagnant. Beer sales (1973) in adjoining States:

Idaho	+ 6.6%
Nevada	+10.2%
Washington	+ 6.9%

About 200 jobs were lost because of the law:

Lost jobs	340 to 427
New jobs	175 to 200
Net jobs lost	165 to 227

This does not include much information from the retail section which provided only limited data. Indications are some 90 to 120 additional hours per month per supermarket are needed to handle the packages returned, and 50 to 100% more space is required. Prices did not increase materially in beer or soft drinks because of the law, partly because of unknown costs and partly because of price control restrictions during a good part of the first year.

Package mix changed dramatically:

	Soft Drink		Beer	
	Before	After	Before	After
Cans	40%	12%	42%	4%
N/R	7%	0	28%	0
Returnables	53%	88%	31%	96%

In 1972, 33 brewers sold beer in Oregon, in 1973 only 24 did. Brewers' market shares changed only slightly:

Blitz-Weinhard	32.3% to 31.5%
Olympia	23.0% to 24.6%
Carling	14.0% to 15.4%
Hamms	6.0% to 5.0%
Anheuser-Busch	4.3% to 6.7%
Lucky	5.0% to 3.6%
Schlitz	1.5% to 1.8%
Miller	2.0% to 1.7%

Total state excise tax revenues are $27M a year. ($1.30/barrel). First year's tax revenues were $15M (43) lower than forecast.

Return Rates:

Soft Drink	96%
Beer	80-85% (there was wide variation in return rates between regional brewers and national brewers)

Summary:

Lower profits, higher investment, less jobs, stagnant market, mounting costs and prices reduced state revenues - all to reduce litter 10.6%.

CONSUMER ATTITUDES

Proponents can be expected to highlight this section. The report says the law continues to be a well received piece of legislation despite consumers' claimed expectation of price increases.

Highlights:

Four out five in the survey had heard about the bill.

50% could cite specifics of the bill.

91% approved of the bill.

Nine out of ten felt the bill had caused some reduction in litter.

89% do not think the law has hurt the State's economy.

One out of three perceive the law causing higher prices.

13% of soft drink consumers and 11% of beer consumers indicate a decline in consumption.

90% of the families claim they return all containers used in the home.

Consumer Involvement

34% "care somewhat" about the bill. 46% "care a lot" about the bill. 17% discussed the bill with friends and relatives. 2% either wrote letters or worked for or against the bill. The study indicates the consumer continues to support this legislation.

Oregon is "unique"

Proponents of the bill have criticized the ADS report for "editorializing" by referring to Oregon as "unique" and warning against extrapolating Oregon experience to other States. The report cites Oregon as unique because:

1. Returnables were always at a high level.

2. Interest in conservation has always been high.

3. It is a small market. The beer market is dominated by local and regional brands (popular and low-priced brands, almost all from Western brewers, account for 85% of sales).

Next Steps

Present guess is the State of Oregon will conclude assessment of the report sometime in October.

Our counsel is summarizing his assessment of the ADS report as a basis to rebate past and current proponent claims about the success of the Oregon bottle and its universal application for other States and communities.

A position paper is probable once the State's position is clearer, and our reviews are concluded.

There is little doubt the ADS report will get much attention and publicity around the country as efforts to pass "Oregon Bottle Bills" intensify.

yoo-hoo chocolate beverage corp., 600 commercial ave., carlstadt, n.j. 07072 • phone (201) 933-0070

November 6, 1974

To: The Joint Committee of Commerce and
Labor and Agriculture and Environment

Re: Non-Returnable Bottle and Can Bills Nos. A-607, A-1191 and A-1361

Gentlemen:

The Yoo-Hoo Chocolate Beverage Corp., located at 600 Commercial Avenue, Carlstadt, New Jersey, is very strongly opposed to the passage of any of the above referenced bills. We feel that these bills will not materially reduce the amount of litter on our highways and streets, and will cause serious financial harm to the consumer, to the workers employed in the State of New Jersey, and to all of the business establishments involved in the manufacture and distribution of soft drinks and beer, and the many companies supplying those manufacturers with raw materials.

At a time such as this when the economy of our country, and particularly the economy of the State of New Jersey, is in such a distressed condition, any bill which would worsen the situation would, in our opinion, be ill-advised. It has not been proven conclusively to date, in any market, that a ban or a tax on non-returnable containers will effectively eliminate litter. Litter is a matter of untidy personal habits, and this can only be corrected by a broad public educational and information effort and a strict program of imposing fines or jail sentences on the guilty persons. Studies have shown that the person that throws away a beer or soft drink container does not make a decision based on whether or not that container has a refund value. This company, like many other companies in the soft drink business, has a long background of marketing our products in returnable bottles. The loss of these bottles in the trade due to consumer indifference to the deposit value became so severe that we were compelled to discontinue the use of returnable containers and convert to all non-returnable containers. Practically every other soft drink and beer marketer in New Jersey had exactly the same experience. In effect, the public was demonstrating in a very effective manner their desire for non-returnable containers.

Continued ...

To this point we have said nothing regarding the health and sanitation problems that must be considered when thinking in terms of returnable containers. Returnable containers collecting in basements, hallways, garages, backyards, etc., of homes and apartments, and storage areas in retail food outlets, increase the instance of pest infestation. Studies have shown that in the majority of areas where this problem was the greatest, the single most effective action was to remove these containers, thereby eliminating the source of much of the problem. To bring these contaminated bottles into a food plant increases tremendously the risk to the public of being exposed to a contaminated finished product.

In various communities in the United States, public recycling centers have reduced the cost of the handling of all garbage and have made major savings in energy costs.

Convenience packaging is a key element in today's life style. To attempt to change that life style because of the untidy habits of a very small portion of the population is, in our opinion, doomed to failure. The only answer to this problem is one of education and stricter enforcement of anti-litter laws.

Very truly yours,

YOO-HOO CHOCOLATE BEVERAGE CORP.

R. P. Glendening
Vice President - Sales

RPG:bg

November 7, 1974

My name is CLYDE H. VADNER, Vice President of the COCA-COLA BOTTLING COMPANY of South Jersey. The basic facts concerning our plants and employees in the state are contained as a part of the whole in remarks (to be) made by Mr. William Pearce of the New York Coca-Cola Bottling Company. We simply want to state for the record that we are unalterably opposed to the legislation proposed as assembly bills A-607, A-1361, A-1191. Towards this end we support assembly bills A-1452 and A-1528 as affective measures leading to the proper utilization of the principals of solid waste manegement.

Clyde H. Vadner

Frank D'Agosta
Local 3913
United Steel Workers of America

Food is preserved with containers --- are you saying let food that can't be canned should go to waste while people are starving all over the world.

The unempolyment rate is high now, we elect you guys to hopefully find ways to promote and make jobs. You guys are taking the easy way out. Ban the can, we say pass a law that would force industry to use its resources and modern technology to find ways to recycle cans.

We're not against ecology, we're against refineries with smoke stacks polluting the air. We see our rivers and lakes dirty. You should draw your attention to these problems.

John Yaconis
Local 3913
United Steelworkers of America

I represent a membership of 1150 members in Paterson, which is one of the highest unemployment areas in the country.

We are unalterably opposed to 607, 1361, and 1191 because it would mean a much greater loss of jobs than we now have. We know that the sponsors of these bills mean well in trying to clean up the environment but do not realize what effect it will have on an economy which is already in a crisis condition.

Vice President Dick Lynch of the AFL-CIO said it well and we concur with his testimony.

Thank you

John Yaconis

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